



CONTINENTAL SELLING PRICES: AUSTRIA S 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.9; GERMANY DM 2.8; ITALY L 586; NETHERLANDS Fl 2.8; NORWAY Kr 3.5; PORTUGAL Esc 28; SPAIN Ps 40; SWEDEN Kr 2.25; SWITZERLAND Fr 2.0; DRE 15p

NEWS SUMMARY

180 dead in camp blast

Out 180 people, most of them foreign tourists, were killed when a gas tanker blew up in a holiday camp near San Carlos de la Rapita on Spain's northern coast yesterday. The tanker plunged into a crater 20 yards wide, the cause of the explosion was not immediately clear. Bodies were flung into the air and between 80 and 90 with tents pitched beside it were reported dead. At least 180 people were injured.

The camp, midway between Barcelona and Valencia, is used by French, Belgian and other tourists. British and other nationals were also present. The cause of the explosion was not immediately clear. The tanker was carrying gas and was used for cooking and heating.

One small girl lived because she went outside the camp to buy an ice-cream just before the blast and a man escaped because he went fishing.

Curious' boy shot by Army

A year-old boy who led police to a cache of arms in an Ulster yard was killed by the British Army yesterday. The boy was shot after pointing out a cache of arms in an Ulster yard. The boy was shot after pointing out a cache of arms in an Ulster yard.

Arists die

Two people were killed when a car crashed into a wall in a residential area in London yesterday.

Doctors' ban

Doctors at the BMA's annual conference in London yesterday voted to support a ban on the use of nuclear weapons.

Big leaves

The former England captain, Ian Botham, has left his Sussex by mutual agreement and will be taking an interim leave from his international cricket duties.

Out clashes

Clashes between Lebanese and Israeli forces in the Bekaa Valley have increased in intensity since the Israeli invasion of Lebanon.

Pass baggage

A French captain turned back a plane from the Canary Islands because of a suspected bomb threat. The plane was carrying passengers and baggage.

ly...

A £1.5m court fine was ordered for the company after it failed to pay its taxes for the year ended 1977.

PRICE CHANGES

in pence unless otherwise indicated

RINES	
Group	94 + 4
Industries	322 + 7
Prop. Trust	138 + 6
ad Jackson	43 + 3
ale Props.	65 + 6
house	189 + 10
Photographic	35 + 3
ly Props.	232 + 15
Bank	96 + 4
Bank	117 + 9
supplies	87 + 6
	288 + 6

U.S. and EEC put pressure on Japan over tariff offer

BY REGINALD DALE: Geneva, July 11

The U.S. and the EEC have sharply stepped up the pressure on Japan to improve its tariff cutting offer in the Tokyo round of multi-lateral trade negotiations in advance of this weekend's seven-nation world economic summit in Bonn.

EEC negotiators yesterday formally warned the Japanese that the Community would radically reduce its own tariff levels if there is no improvement in Tokyo's offer at Japan's expense if there is no improvement in Tokyo's offer at Japan's expense.

The U.S. has not made such a specific threat but is privately stressing that Japanese exports will face major difficulties on U.S. markets if the offer is not improved.

One small girl lived because she went outside the camp to buy an ice-cream just before the blast and a man escaped because he went fishing.

Reduce

The aim would be to reduce the tariff cuts offered by the Community to 24-25 per cent, down from an estimated 33 to 34 per cent as the EEC offer now stands.

Community officials believe that Mr. Nobuhiko Ushiba, Japanese Minister for External Economic Relations, who is in Geneva this week, can be pushed to make a few further concessions in the days that remain before the Bonn summit.

Growth in money supply halts after credit squeeze

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE MONEY supply virtually stopped growing last month as the Government's credit squeeze package began to bite.

The banking figures for the month to mid-June, published yesterday, showed that the broadly-defined money supply had increased at most by a very small amount and may have fallen fractionally.

This follows an increase in sterling M3, including cash and deposits, of 2.5 and 0.9 per cent in the previous two months.

Lending by the London clearing banks to manufacturing industry and for export business has shown a noticeable increase.

The figures suggest that the Government's credit squeeze package, announced in June, has so far succeeded in its main objective of ensuring that the growth of the money supply is within the 1978-79 target range of 8 to 12 per cent, subject to adjustment after six months.

Little growth in the money supply is expected in the next few months as a result of the measures.

The banking statistics compiled just under a fortnight after the package on June 21, reflect the impact of the heavy level of sales of gilt-edged stock between the two dates and the initial adjustment of the bank's credit squeeze.

The decline in eligible liabilities was slightly smaller than some market estimates.

But after some initial confusion about the figures, prices of gilts have risen.

Linwood men vote to stay out

BY PHILIP BASSETT, LABOUR STAFF

PRODUCTION AT Chrysler's Linwood car plant in Scotland is likely to be at a standstill until at least mid-August after 550 paintshop workers voted yesterday to continue their two-week strike.

A spokesman for Chrysler said this was "extremely serious" for the future of Linwood. Performance there is the key to whether Chrysler UK operation can be made profitable.

Car production was halted yesterday at Vauxhall's Ellesmere Port plant on Merseyside after 3,000 assembly workers walked out in support of 100 drivers who stopped work on Monday over a claim for a reduction in hours.

The drivers' members of the Transport and General Workers' Union, want a reduction in working hours from 47 1/2 a week to 40 without loss of earnings. They rejected a company offer of 45 hours without loss of pay and came out on strike.

The assembly workers who joined them will not meet again until tomorrow. The Ellesmere Port plant produces about 450 Viva and Chevette cars a day. Vauxhall stands to lose £1.25m at showroom prices every day.

The 550 workers at Linwood who voted yesterday not to resume work heard details of the new company proposals for determining temperatures in hot areas of the paint shop.

The dispute, in which more than 4,000 Linwood workers have been laid off and production lost of about 5,000 cars worth more than £15m at showroom prices, is over management attempts to speed production by a system of rest breaks in the paintshop's hot areas.

After the meeting Mr. James Livingston, Transport and General Workers' Union convenor at the plant, said that no fresh moves had been made for talks between unions and management.

The new system was not just a question of some men losing five minutes of their existing breaks. "The management are trying to lay down entirely new rules involving a principle we are not prepared to accept."

A Chrysler spokesman said that the company was concerned that the efforts of the Advisory Conciliation and Arbitration Service had failed to find a solution to the dispute. But it was essential to eliminate practices which caused losses in production.

Fifty workers on the Maxi line at the Pressed Steel Fisher factory at Cowley have been laid off because of a strike by 640 press operators at the company's body plant at Swindon. A total of 850 workers have been laid off at Swindon because of the 10-day strike.

It follows attempts by management to persuade the press operators to change a working practice by separating reject body panels from those which can be used. The operators are due to meet today.

Fukuda to press for dollar stability

By Our Foreign Staff

JAPAN IS expected to press for greater dollar stability at the seven-nation world economic summit in Bonn this weekend.

Mr. Takeo Fukuda, the Japanese Prime Minister, told the Financial Times yesterday.

In an interview in Tokyo he said that exchange-rate instability was the reason why the economies of major industrial countries had not grown as fast in the past year as expected at the London summit.

"That means that the dollar will become a main theme of discussion at Bonn," he added.

Mr. Fukuda said he expected that other countries beside Japan would press for greater dollar stability, and that exchange-rate problems would rank as a major new topic at the summit along with inflation, trade, problems of the developing world and energy.

He recalled that Japan's trade surplus was in part responsible for the dollar's problems. For that reason Japan had made a reduction of the surplus its main economic foreign policy aim.

Mr. Fukuda said he would see to it that the value of Japanese exports remained unchanged in 1978.

Carter plea

President Carter has asked Congress to be more sympathetic to his policies on oil imports.

His plea to Democratic Congressional leaders yesterday morning before the Bonn summit came two days before members of the Senate and House of Representatives were due to consider again on Thursday the long-delayed Carter energy Bill.

This Bill now includes a Senate amendment explicitly barring the President from imposing extra duties to discourage oil imports.

Mr. Carter has threatened to impose these duties unless Congress approves an equalisation tax bringing the price of domestic oil up to world market levels and thereby squeezing consumption.

Despite these problems, Mr. Carter's officials said yesterday that he expected positive action from the other six participating countries on other issues of trade and economic growth.

Fukuda interview, Page 4

in New York

	July 11	Previous
Spots	\$1,850.00-880.00	\$1,880.00-880.00
1 month	0.45-0.46 dte	0.38-0.34 dte
3 month	1.15-1.12 dte	1.07-1.02 dte
18 month	4.25-4.22 dte	4.25-4.20 dte

The decline in eligible liabilities was slightly smaller than some market estimates.

But after some initial confusion about the figures, prices of gilts have risen.

DISSIDENT 'COLLECTED DATA ON DEFENCE'

DETAILS OF the prosecution cases against two prominent Soviet dissidents began to emerge as their trials went into their second day yesterday. Mr. Anatoly Shcharansky, who faces a treason charge, was accused of collecting information on Soviet defence installations and sending it to the West through a foreign journalist. The charge carries the death penalty. A Soviet official told reporters waiting outside the court that 11 witnesses had testified, including two former Jewish dissidents who have signed open letters to the Soviet Press denouncing other activists.

Mr. Shcharansky's 70-year-old mother continued her efforts to be admitted to the courtroom. His brother was belatedly admitted, but foreign correspondents are barred.

At Kaluga, 100 miles from Moscow, the wife of Mr. Alexander Ginzburg was ejected from the courtroom where her husband faces charges of anti-Soviet agitation. She had protested against a prosecution witness's statement that dissidents were criminals working for money from abroad. The case against Mr. Ginzburg involves allegations that he prepared and circulated the works of Alexander Solzhenitsyn, the exiled Russian writer. He had administered a fund to aid political prisoners set up with royalties from Solzhenitsyn's books.

U.S. protest to Brezhnev over trials

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, July 11.

MR. CYRUS VANCE, U.S. Secretary of State, left Washington this morning for Geneva, determined to pursue strategic negotiations with Mr. Gromyko, his Russian counterpart, with the Carter Administration coming under heavier domestic pressure to make its disapproval felt over Soviet treatment of dissidents.

Mr. Vance, who along with Mr. Jody Powell, the Presidential Press Secretary, was yesterday sharply critical of the trials, will be carrying a personal message from President Carter to President Brezhnev on the subject.

He will also meet Mrs. Avital Shcharansky in Geneva on Thursday night to underline the importance the Administration attaches to human rights in the Soviet Union.

President Carter, Mr. Vance and Dr. Zbigniew Brzezinski, National Security Adviser, are agreed that a new SALT treaty is of such overriding importance that nothing should be permitted to prevent a satisfactory conclusion of the protracted negotiations.

Whereas Mr. Vance sees SALT as the primary focus of U.S. Soviet relations, Dr. Brzezinski is inclined to look towards the creation of a more complex international structure in which the U.S. can balance and contain Soviet policies.

As a result, tactical differences of approach between the White House and State Department continue to exist.

Yesterday, for example, after a meeting with U.S. Jewish leaders, Dr. Brzezinski was reported to be receptive to the idea of the U.S. resorting to commercial sanctions.

Mr. Powell implied as much in his later comments, which were couched in extremely strong language and which referred to "the seeds of inevitable change in the Soviet Union."

But the lack of a unified Administration voice on the right tactics to adopt in dealing with Moscow is unsettling to domestic observers in Washington.

Senator Henry Jackson, the Washington Democrat and Utah Republican, both relative hardliners, publicly spoke out against "confusion" inside the Administration.

Both said that in allowing the Vance-Gromyko meeting to go ahead, the U.S. was sending the wrong signals to Moscow and was encouraging the Soviet Union in its belief, in Senator Jackson's words, that "they can bully us and get away with it."

Moderate

This morning's criticism was also heard from more moderate members of Congress. Senator Howard Baker, the Republican leader, urged the President to break off the SALT talks in protest.

Senator Donald Riegle, the Liberal Democrat from Michigan, said he would vote against any SALT agreement "because of the repression of dissidents."

Senator John Sparkman, chairman of the Foreign Relations Committee, predicted that at the very least the Senate would agree on a resolution sharply condemning the trials.

The dissident trials are seen inside the Administration as a direct affront to President Carter and, as one senior official put it, may well reflect Russian concern about internal unrest.

Ginzburg trial, Page 2

Condensed Balance Sheet (as of March 31, 1978)

ASSETS		LIABILITIES	
	In thousands of £		In thousands of £
Cash and Due from Banks	91,163,018,845	Deposits	97,894,387,000
Call Loans	87,075,547	Call Money	532,374,412
Securities	1,415,294,082	Borrowed Money	559,183,995
Loans and Bills Discounted	6,466,082,775	Foreign Exchanges	
Foreign Bills of Exchange		Due to Foreign	108,880,128
Correspondence a/c, Dr.	32,510,512	Foreign Bills of Exchange Sold	2,526,225
Exchange Bought	295,254,643	Foreign Bills of Exchange Payable	1,827,153
Foreign Bills of Exchange Resaleable	177,821,179	Domestic Exchange Settlements a/c, Cr.	146,527,973
Domestic Exchange Settlements a/c, Dr.	153,843,612	Accrued Interest	155,288,061
Bank Premises and Real Estate	154,745,551	Unearned Income	36,925,248
Other Assets	60,672,486	Other Liabilities	48,775,158
Customer's Liabilities for Acceptances and Guarantees	1,138,162,454	Reserve for Possible Loan Losses	85,062,781
Total Assets	¥11,148,582,726	Reserve for Risks	35,571,620
		Other Reserves	23,934,172
		Acceptances and Guarantees	1,138,162,484
		Total Liabilities	¥10,857,435,540

CAPITAL FUNDS	
	In thousands of £
Capital (Paid-up)	¥95,100,000
Legal Reserves	20,207,988
Other Reserves	171,936,150
Total Capital Funds	¥287,244,138
Total Liabilities and Capital Funds	¥11,148,582,726

Notes: 1. Assets and liabilities are stated at the current value of the assets as of March 31, 1978.

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EUROPEAN NEWS

EEC plan to cushion job cuts in steel

By Margaret van Hattem

BRUSSELS, July 11.

THE EEC Commission today outlined plans for a new social policy aimed at minimising unemployment resulting from industrial restructuring.

The initial proposals would cover co-financing by the Community, on a 50/50 basis with member states, of schemes to help workers in the steel sector. Mr. Henk Vredeling, the Social Affairs Commissioner, said today.

These might include schemes for early retirement, work sharing, shorter working hours and limits on overtime.

A social policy in the steel sector is specifically provided for in the treaty establishing the European Coal and Steel Community, but it is hoped to set up parallel policies in the shipbuilding and possibly the textile sectors, he added.

In the steel sector, all aid would be linked to restructuring measures as set out under the Davignon plan. Mr. Vredeling said, and might involve a community contribution of around 100m units of account.

Detailed proposals will be drawn up following discussions next week between the commission and a special consultative council including producer, worker and consumer representatives.

But the resulting proposals must be approved by the council of Social Affairs Ministers and there is some doubt as to whether they will be ready for the Ministers' next meeting, scheduled for November 27.

AP-DJ adds: Mr. Vredeling said current effort to streamline EEC steel industry operations could produce 100,000 to 140,000 redundancies in the industry between now and 1980 unless some action were initiated on the social front.

He said a social programme stretching over "several" years could cost about 100m European units of account (\$126m).

Germans reject Japanese doubts on shipyard curbs

By DAVID WHITE

PARIS, July 11.

JAPANESE CLAIMS that Western European countries are not doing enough to scale down their shipbuilding industries in the face of the current recession were rebuffed today by Herr Werner Fante, head of the West German Shipbuilders' Federation.

Differences between Japan and Europe about shipyard overcapacity came to the surface again at the start of a two-day meeting of the shipbuilding working party of the Organisation for Economic Co-operation and Development. At the working party's last meeting in April, the Europeans came under fire for not following the Japanese in restraining output.

Speaking at a Press conference, Herr Fante cited world-wide ship production figures showing that Japan had increased its share of new orders while the European share had dropped. There had been a large amount of misunderstanding, he said, due to the disparity between groups

of statistics and changed criteria for calculating compensated gross tonnage, now geared to terms of man-hour value.

West Germany had done its part in reducing capacity, with man-hours worked this year standing at half the 1975 level. Turnover in German shipyards was likely to drop from last year's DM 5bn to DM 3.5bn-DM 3.7bn.

The Japanese had exceeded their previous market share last year, taking 44.5 per cent of new orders in compensated terms. That, he said, was the reason for the industry's difficulties.

At today's working-party meeting, the Japanese delegation expressed concern about shipyard subsidies in three EEC countries: Britain, Holland and France. Britain has asked the European Commission to approve its latest £80m shipbuilding intervention fund plan.

The 14-country group also held talks with a delegation from the International Metalworkers' Federation on the implications

of cutbacks. Union representatives stressed that they would not accept capacity reduction plans unless these were backed up by measures to re-employ all the redundant labour. They insisted that cutbacks should not be determined by the present rock-bottom level of orders.

They called for third world shipbuilding nations, such as South Korea, to be brought into OECD efforts to concert national policies. This proposal was rejected by the working-party members, especially by Japan, because of its possible harmful implications in the context of the north-south dialogue.

Herr Fante also mentioned the problems posed by low-cost and subsidised third world shipbuilders, but said that Western Europe and Japan had to solve their own problems before they could approach those brought about by shipyard growth in developing countries.

Japanese lay-offs. Page 23; China purchases. Page 6

W. German Cabinet to meet on economy

By Jonathan Carr

BONN, July 11.

A SPECIAL three-day meeting of the West German Cabinet from July 26 to 28 will settle the details of any new measures to try to boost the economy. Government officials said today.

The immediate purpose of the meeting will be to take final decisions on the Budget for 1979 and to take stock of the course of the economy in the first half year.

It is thought likely that the figures will show an improved economic performance in the second quarter after a poor start. But it is not expected that this upswing will be enough to allow hope that the aim of 2.5 per cent real growth for 1979 can be fulfilled.

However, a decision on any further steps of economic stimulation depend in the first place on the outcome of the Western economic summit conference here next Sunday and Monday.

Chancellor Helmut Schmidt has made clear that Bonn is ready to play its part in a package of complementary economic measures providing its partners do likewise. But it is warned that this does not mean Herr Schmidt will allow himself to be pinned down to a precise figure at that stage — let alone the DM12bn so far widely suggested.

At present the Social Democrat (SPD) and liberal Free Democrat (FDP) partners in the coalition government are at loggerheads on what kind of stimulatory package might prove best — both for the economy and as a vote-winner.

The FDP, which has recently suffered severe provincial election losses, has angered the SPD by unilaterally making loan suggestions for big tax cuts and reform involving business and private individuals.

The trade unions in contrast favour direct State deficit spending for investment projects. They argue this would take effect sooner and claim the Government has already made more than enough concessions in favour of the employer.

The SPD Technology Minister, Herr Volker Hauff, has drawn up an investment programme involving expenditure of about DM 12bn over five years. He has done so with general accord from the SPD Finance Minister but not, as widely reported, at the direct request of Herr Schmidt.

Given an accord at the summit, the Chancellor will thus have to ease the SPD and FDP to a compromise.

THE SOVIET TRIALS

Shcharansky accused of collecting defence data

By DAVID SATTER

MOSCOW, July 11.

THE TREASON trial of Mr. Anatoly Shcharansky, the Jewish dissident, went into secret session today and, according to a Soviet spokesman, the court examined evidence that Mr. Shcharansky collected information on Soviet defence installations and sent it to the West through a foreign correspondent.

Reading from prepared statements at morning and afternoon sittings, the spokesman sketched out the case against Mr. Shcharansky — alleging he gathered secret information about Soviet defence enterprises on the instructions of Mr. Vitaly Rubins, a former Jewish activist who emigrated to Israel in 1976, and sent it to the West through Robert C. Toth, former Moscow correspondent of the Los Angeles Times.

The spokesman said that Mr. Shcharansky gathered data on the deployment, secrecy regimes, departmental links, and senior officials of defence enterprises. One of Mr. Shcharansky's assignments was to have persons who worked in secret installations fill out questionnaires about their work, the spokesman said.

Eleven witnesses were called to testify today including Dr. Sanya Lipavski, a former "family doctor" to Jewish dissidents, and Leonid Tsipin, both of whom have authored open letters to the Soviet press denouncing Jewish activists.

The spokesman said that witnesses described how Mr. Shcharansky carried out the necessary conditions for purposeful questioning of the persons.

Mr. Toth was seized on a street in June, 1977 and accused by the Soviet Foreign Ministry of receiving State secrets in a apparent attempt to disquiet him before two days of intense questioning by the KGB at Lefortovo prison about his relations with Mr. Shcharansky. (The advice of the U.S. embassy in Russian summarizing his interrogation which he was unable to read.)

Although Mr. Toth had been officially accused of receiving State secrets and had a diplomatic immunity, the authorities prosecuting him appeared to evaporate after he signed protocols that could be of use against Mr. Shcharansky and was allowed to leave the Soviet Union without further harassment.

The spokesman said that if foreign journalists with whom Mr. Shcharansky had contact, a about in general "warming of information which is not subject to publication in the Western press" on such subjects as space research, sociology, and psychology.

The spokesman said Mr. Shcharansky personally contacted a Soviet scientist on progress of engineering research and obtained information on institutions involved in get engineering.

Mrs. Ginzburg protests at court

By OUR OWN CORRESPONDENT

MOSCOW, July 11.

THE WIFE of Mr. Alexander Ginzburg, the prominent dissident, on trial for anti-Soviet agitation, was ejected from the courtroom today after she protested against a prosecution witness's statement that dissidents were criminals working for money from abroad.

Mrs. Arina Ginzburg later told correspondents the prosecution witness, Mr. Arkady Gradoboyev, an artist, said he considered dissidents to be criminals because they listened to the Voice of America radio station and read works by Alexander Solzhenitsyn, the exiled Russian writer.

The case against Mr. Ginzburg, who is being tried in a regional court in Kaluga, 100 miles southwest of Moscow, has focused on allegations that Mr. Ginzburg prepared and circulated the works of Mr. Solzhenitsyn.

Mr. Ginzburg was a founder member of the dissident committee which tried to monitor

Soviet observance of the Helsinki accords and administrator of a fund to aid political prisoners set up with royalties from Mr. Solzhenitsyn's books. But the trial has so far minimised the importance of the Helsinki group connection and dwelt only in passing with the fund.

Prosecution witnesses have testified against Mr. Ginzburg and five of these stated they had seen him in the Soviet labour camps, the Gulag Archipelago from Mr. Ginzburg.

Mr. Ginzburg, who has been imprisoned twice before, once for five years on charges of anti-Soviet agitation, is refusing to testify at the trial.

Mrs. Ginzburg said that her husband, 41, who has been held in investigative custody for 17 months, which is eight months beyond the normal statutory limit, has gone completely grey and "looks like a man of 60."

he faces a maximum sentence, as a recidivist, of 10 years imprisonment and five years exile.

In Lithuania, dissident sources said that Mr. Viktora Pyatkovskis, the leader of the Lithuanian "Helsinki" group, on trial in Lithuania for anti-Soviet agitation, refused to recognise the authority of the court and he refused to take any part in the proceedings. If convicted, Mr. Pyatkovskis faces a maximum sentence of seven years imprisonment and five years' exile.

Roger Bayes adds: Mr. Vladimir Bukovsky, the exiled Soviet dissident, has warned that Mr. Ginzburg would almost certainly die if he were given another labour camp sentence. Speaking at a news conference in London yesterday, Mr. Bukovsky said that Mr. Ginzburg was crooked, ill with stomach ulcers and tuberculosis, contracted during an earlier term of imprisonment.

If you make our 11.00 flight to New York you'll arrive in time to catch the closing prices on Wall Street.

If you catch our 13.30 flight to New York you'll arrive in time for afternoon tea at the Plaza.

And if you take our 16.30 flight to New York you'll get to Broadway in time to see "On the Twentieth Century."

Only Pan Am can give you three daily 747s to New York. Pan Am's People. Their experience makes the difference.

PAN AM

Demonstrator dies as new violence hits Basque cities

By DAVID GARDNER

BARCELONA, July 11.

A 19-YEAR-OLD youth was killed in San Sebastian today during the strike which has spread throughout most of the Basque country in the wake of the weekend's violent incidents in Pamplona.

In the weekend violence a man was shot dead and over 150 wounded in the confrontation which followed a police attack on Pamplona's bullring. A bulletin put out by the state-owned Radio Nacional de Espana reports that the police officer in charge of the anti-riot which carried out the attack has been dismissed from his post.

The Basque country was virtually at a standstill today, with stoppages covering the whole of Guipuzcoa and the major factories on the left and right bank of Bilbao's heaviest industrialised river.

Some factories in Vizcaya, of which Bilbao is the capital, stopped work for only an hour, following a call for an orderly protest by the leadership of the majority trade union in the area. But workers in many of the larger factories stopped for 24 hours.

Confrontation between police and demonstrators have been described as scandalous by the Basque press since the weekend, but there has been particularly bad street violence in San Sebastian and surrounding towns — a stronghold of the radical and nationalist left.

A communiqué from the civil governor of Guipuzcoa said that a man was shot while he and other demonstrators were attempting to assault a police station and that the demonstrators were armed.

In Pamplona yesterday, 30,000 people attended the funeral of

German Rodriguez, the 23-year-old leader of the LKI (Revolutionary Communist League) shot through the head by police on Saturday night. The funeral occurred here being called off for the first time in 40 years by the "penyas" or fraternities, which organise and form the mainstay of Spain's most famous feasts.

The "penyas" had set as minimum conditions for the festival to continue: the resignation of the Basque's civil Governor, the release of all those detained during the weekend's violence, and the withdrawal of armed police from the city by midnight last night. By late last night, two of the three anti-riot units involved in the incidents had been withdrawn.

The Pamplona committee investigating the violence — made up of political parties, unions, "penyas" and local Government representatives — has accused the officer in charge of anti-riot units of being a member of the neo-fascist group Euzko Nerua.

The committee adds that he had volunteered for this particular post after the Basque nationalist guerrilla organisation ETA had shot dead a police commandant in Pamplona last May.

The Government has made no official statements about the incidents, and is leaving the matter in the hands of Sr. Martin Villa, the Minister of the Interior.

Sr. Martin Villa today interrupted the debate on the draft constitution. He asked for time in which to carry out a thorough investigation of what had occurred and received a majority vote of confidence.

Soares confident in spite of 'crisis'

By OUR OWN CORRESPONDENT

LISBON, July 11.

SR MARIO SOARES, the Portuguese Premier, is facing with remarkable fortitude what some Press reports describe as a Government crisis.

The Socialist Prime Minister was today reported confident that his alliance with the conservative Christian Democrats formed in January would continue as planned until the elections scheduled for 1980.

The Press, however, is convinced that there is a Government crisis, while the right-wing opposition Social Democrats renewed calls for a "government of national salvation" incorporating themselves but excluding the smaller Communist Party.

Sr Soares said the Socialists were not contemplating opting out of the informal coalition with the Christian Democrats and were hopeful that the agreement would last until 1980.

"We understand the (ideological) difficulties of the Christian Democrats and we believe they understand ours," he said.

The Christian Democrats at a national council meeting this week-end called for the replacement of Dr. Luis Sals, the low-

profile Socialist Agriculture Minister, because its constituents — many of them supporters of the conservative Portuguese Farmers' Federation — were unhappy about his performance in returning illegally occupied land in the Communist-dominated agrarian reform belt.

In contrast to last year under a hard-line Socialist Agricultural Minister, there has been remarkable peace in this zone since the new Government took office. Some critics maintain this is because Dr. Sals has frozen all controversial activity in the area in exchange for essential labour peace from the Communist-backed central trade-union body.

But the agricultural issue existed even before the two parties agreed to govern together and some observers feel the latest Christian Democratic demand is playing to a gallery filled with its more vociferous supporters with no intention of placing the Government in any real danger.

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Extract from the chairman's report to the shareholders.

4th May 1978

Fiat's Ordinary Shareholders Meeting was held on second summons on 4th May 1978 in Turin. In his report, the Chairman, Giovanni Agnelli, stated that Company operations, particularly those of the Automobile Group, were aimed at achieving a profitability level in line with inflation "so as to ward off the risk of a net loss of capital".

But alongside the efforts of Fiat, which is planning to invest at least 3,000 billion lire in the next 3 years, a parallel effort must be made to tackle and solve the structural weakness of the Italian economic system vis-à-vis the systems with which we have to compete.

"There can be no free trade area," Agnelli added, "without the same rules for all and without adequate sanctions for those who transgress them".

"Ten years ago we began the process of transforming Fiat into a modern industrial holding company encouraged by the breaking down of customs barriers within the European Community." There should, however, be no illusions that one big market can be created without a corresponding government authority. The direct election of the European Parliament scheduled for the spring of 1979 will therefore be of considerable importance.

"Equally decisive," Agnelli concluded, "is European industrial policy and the development of advanced technology sectors. The European economy can only expect a future of growth if it is able to substitute a cycle of profit/research/innovation/profit type. Failing this, Europe will lag increasingly behind the United States and will find itself relegated to a subordinate, peripheral role." The Chairman then announced the results for 1977:

- consolidated Fiat Group sales: 11,449 billion lire (9,270 billion in 1976);

- Fiat Group investments: 1,001 billion, of which 803 in Italy and 198 abroad (813 billion total in 1976);

- Fiat Group employees: 341,693, of which 266,801 in Italy (328,872 world-wide in 1976).

Results achieved by the operating Groups:

Automobiles: Fiat, Autobianchi, and Lancia cars and derived versions delivered in 1977: 1,348,750 units (1.4% more than in 1976). 702,972 units were delivered in Italy (1% more than in 1976), 645,778 abroad (2.2% more than in 1976).

Commercial and Industrial vehicles: IVECO sold more than 107,000 commercial and industrial vehicles (2.3% more than in 1976). Italian sales amounted to 42,356 units (11% down on 1976).

Agricultural Tractors: sales amounted to 63,517 units (1.9% down on 1976).

Construction Machinery: sales totalled 9,505 units (Fiat-Allis), an increase of 6.1% over the previous year.

Steel: Teksid was set up as a limited company on 1st January 1978 and maintained its position in the market. Total converted production amounted to 2,114,000 lingot tonnes (2,195,000 in 1976).

Components: the companies of the Group achieved a turnover of 964 billion lire.

Machine Tools and Production Systems: business volumes were higher than in the previous year.

Civil Engineering and Land-Use: new business amounting to about 700 billion lire was acquired in 1977.

Energy: good results were achieved in both gas turbines and aviation.

Rolling Stock and Rail-based Transportation Systems: demand held satisfactory levels.

Tourism and Transport: Ventana recorded a great increase in its business in the tourist area.

For Fiat S.p.A. 1977 closed with a net profit of more than 63 billion lire. The Shareholders Meeting approved a resolution to distribute a dividend of L. 150 per share and to allocate one preference share for every 100 shares owned, without distinction between ordinary and preference stock, utilising the Company's own shares acquired in accordance with the Shareholders Meeting resolution of 29th April 1977.

FIAT

EUROPEAN NEWS

INVENTORS IN HUNGARY

Tough times for 'difficult people'

BY ELIZABETH WINDSOR

THE LIFE of an inventor is probably far from rosy in any country, but Hungarian inventors seem to get a tougher deal than most. Biro, the inventor of the ball point pen, might be the epitome of Hungarian inventors: unable to get this invention accepted in his own country, he went to the West where it was taken off him for a pittance.

Inventors in Hungary are now-days known as "difficult people" after a documentary film directed by Andras Kovacs which caused quite a stir about ten years ago. The stir, however, did nothing to change the situation. Inventions are still steam-rollered, very often by jealousy, by bureaucracy, or by the sheer inertia of the economic set-up which does not encourage managers to take risks or launch new products. In many cases too the people who are in a position to decide on the fate of an invention expect a cut of the inventor's royalties.

Roller plough

The much talked of roller plough, which by using rolling friction saves a considerable amount of energy, has been buried, probably for good, by lack of interest. Hungary has had to buy back—with dollars—the rights to produce another invention dealt with in the film "Difficult People": the Heller-Forgo type cooling tower for power plants. Inventors often get better, give up, defect to the West, or are driven into becoming monomaniacs.

Smaller scale innovators get no better deal. Out of 71,000 factory innovations a year, only 200 are taken up by other factories. According to the most cautious of reckonings, 3-4,000 are worth taking up. It is thus not surprising that the number of innovators is diminishing, from year to year, despite the fact that some new regulations have been introduced to protect their interests.

Happy conclusions sometimes spring from mere coincidence. Last year Mr. Janos Fekete, vice-chairman of the Hungarian National Bank, spoke on television of how on a visit to Sweden he had learnt of a Hungarian invention for producing vegetable protein for fodder from lucern, a project which had been drifting about for about 10 years in Hungary without proper financial backing.

Several similar cases, some bordering on the scandalous, have been picked up by the press, television and radio. A television documentary about a lift invented by a Hungarian engineer won an award last year. But only the film came in for due credit: the lift, which costs half as much to produce as the type manufactured at present and needs less than half the amount of maintenance, never found a manufacturer. In fact it was its low cost that prevented it from being manufactured, since the factory would have had to produce double the amount of lifts to make the same profit.

This whole problem of inventions was discussed recently in an article by the poet and essayist Andras Mezei in the weekly *Elet és Irodalom* (Life and Literature). Mr. Mezei enumerates several cases of aborted inventions and says that not only does Hungary's loss of income amount to several billion forints yearly, but that there is a firm of West German consultants which makes a profit of DM25m a year by being on the alert to pounce on every Hungarian invention once the patent has expired. He makes a strong case for a different system of economic regulations and asks for the most outstanding cases of aborted inventions to be investigated.

Financial interest

His title "Something that hasn't been invented" refers to a foolproof system of interests which would ensure that none of the valuable ideas go down the drain. He thinks that there should be a financial interest not only for inventors, but also for manufacturers and sellers of new products, and goes as far as to suggest that individuals should be allowed to form companies or buy shares in a particular undertaking. He imagines all this within the limits of a socialist economy.

The latest edition of *Life and Literature* carries a follow-up interview with Emil Tamasdi, head of the Hungarian Office of Patents, who concludes by saying that "either we should learn from our past mistakes and shortcomings, review the situation and act more decisively and quickly, or else we will get our noses bashed in on the world market."

Sweden may try to amend N-accord

By William Dullforce

STOCKHOLM, July 11.

SWEDEN is seeking to clarify and possibly amend the agreement on the processing of spent nuclear fuel signed by the French company Cogema and the Swedish nuclear fuels supply company (SKBF), which is half state-owned. An official team arrived in Paris yesterday.

At the same time the Swedish Energy Minister, Mr. Olof Johansson, spoke out in favour of storing spent nuclear fuel in Sweden without processing. It was too early to make a firm decision, Mr. Johansson said, but to-day there is obviously much more to be said for non-processed waste.

The Swedish processing agreement is understood to be one of 33 provisionally signed by Cogema and which are fundamental to the financing of Cogema's processing plant. Any alteration in the Swedish terms could provoke demands for changes from other customers.

The latest twist in the controversy over Sweden's nuclear power programme came after leaks in the Stockholm Press of details of the secret agreement between Cogema and SKBF. These details, which have not been officially confirmed, suggested that the agreement entailed several disadvantages for Sweden.

It provided for the processing of 620 tonnes of spent nuclear fuel at a cost of close to SKr 1bn (\$118m) spread over 17 years. But the Swedish Government had to guarantee by July 13 to take the processed fuel back to Sweden. After the guarantee had been given, Cogema and SKBF would have a month in which to withdraw before the contract became valid.

According to Swedish newspaper reports, under the agreement 97 per cent of the plutonium extracted during processing should be returned to Sweden. But if the French choose to deliver less, they would pay \$15 a gramme for the shortfall. This price is too low, Swedish experts say.

The Cogema SKBF agreement is designed to meet the conditions for the treatment of nuclear waste stipulated by the Swedish Government before it will allow the fuelling and start-up of any further nuclear reactors.

The Prime Minister, Mr. Thorbjörn Fälldin, and the Energy Minister, Mr. Johansson, both members of the Centre Party, oppose the nuclear power programme started under the Social-Democratic Government.

OVERSEAS NEWS

Hanoi says Chinese jet fighters violated airspace

BY OUR BANGKOK CORRESPONDENT

VIETNAM yesterday charged China with sending two sorties of fighter jets "deep into the airspace" of the country's northern provinces last Saturday.

Radio Hanoi said that the first of these incidents involved two Chinese airforce fighters which intruded 25 kilometres into the coastal province of Quang Ninh in Northeastern Vietnam. Ten minutes later another two jets penetrated up to 30 kilometres into the neighbouring provinces of Cao Bang. The report said the Chinese aircraft "violated"

Vietnamese airspace "for a long time."

Hanoi attempted to protest these "serious acts infringing territorial sovereignty" yesterday in a note delivered to the Chinese Charge d'Affaires, refusing to accept the note, claiming he was not yet "fully informed of the affair."

Vietnam has recently charged Peking with increasing tensions along their mutual border by organising military exercises close to the frontier, and by sending in thousands of Chinese to "occupy" Vietnamese territory in northern border districts.

But this is the first time that Hanoi has alleged an act which could be interpreted as actual military aggression, although so far the Vietnamese have been careful not to label the move as such.

The Vietnamese have also claimed that China is reinforcing its troop strength along the border. Western intelligence sources say that the Chinese aerial reconnaissance and naval patrols have been considerably more active in recent weeks in the Gulf of Tonkin off the Vietnamese coast. The Chinese are thought to have a troop

strength in the neighbourhood of 150,000 regulars on the Vietnamese border. On its side, however, Hanoi has reportedly been active reinforcing its 50,000 man regular forces by expanding both its militia and network of defensive trenches along the frontier.

Reuters reports from Singapore: Vietnamese Vice Foreign Minister Phan Hien arrived today for a visit seen as part of his country's efforts to forge a closer relationship with the Association of South-east Asian Nations (ASEAN).

Mr. Hien flew into Singapore after a week-long visit to Tokyo where he told Japanese leaders that Vietnam was prepared to discuss with ASEAN a proposed zone of peace and neutrality in South-east Asia.

ASEAN, an economic alliance which groups Singapore, Malaysia, Thailand, the Philippines and Indonesia, has also been seeking closer relations with the Communist States of Indo-China.

Mr. Hien will have talks tomorrow with Singapore Foreign Minister S. Rajaratnam and officials of INTRACO, the State trading corporation.

PHNOM PENH-BANGKOK TALKS

Thailand's communists face new deadline

BY RICHARD NATIONS, RECENTLY ON THE THAI-CAMBODIAN BORDER

TWO MONTHS AGO, in the dead of night, 37 well-armed Thai Communist Party cadres slipped quietly into Baan Klong Rit, a remote little hamlet typical of the haphazard settlements scattered along the rugged jungle terrain of the Chaine de Dangrek hills that form the natural frontier between northern Cambodia and the southern provinces of Thailand's North-east.

"The Thai army is on its way and tomorrow at dawn this whole jungle will be shelled and put to the torch," the seemingly friendly and by now well-known leader of the Thai insurgents told the midnight gathering of 48 families. "Follow us and we'll take you to safety."

But by the time Baan Klong Rit's inhabitants reached "shelter" they found themselves two-days' walk inside Cambodia, at Camp 54, where more than 1,000 other Thai villagers from the border region had been assembled for "political education" and military training.

This sort of tactic is an unorthodox departure from the by all appearances, is a counter Communist Party's more traditional methods of recruiting hard-patient persuasion. To time last year the cadres would visit the villages to deliver campfire lectures to a small but willing audience intrigued by the vision of rural equality under revolutionary Socialism and delighted by the sharp attacks on official corruption.

But now this wing of the party

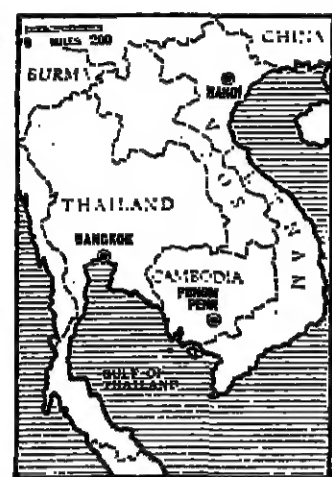
is in a rush. According to captured documents and defectors from Camp 54 returning to Baan Klong Rit the party is determined to liberate at least two Thai border districts—Lahan Sai and Ta Pnya—before the year is out.

The episode at Baan Klong Rit is typical of the short-cuts the party is adopting to expand its mass base and build its armed force in a hurry to meet the time table.

Some Thai military analysts think this shift in strategy helps explain the contradictions in the Cambodian Government's attitudes towards Thailand: while constantly affirming its desire to normalise relations between the two countries, Cambodia stokes tension along the border by aiding the Thai Communists. Moreover, it was only on Monday of this week that Cambodian Deputy Premier Dang Sary announced that he had accepted the Thai invitation to visit Bangkok, an invitation extended in February and accepted "in principle" by Cambodia.

Mr. Sary is due in Bangkok on Friday, but his decision to come, by all appearances, is a counter move spurred by the recent mission to Thailand by Vietnamese Deputy Minister for Foreign Affairs Phan Hien, and even now Mr. Sary will bring with him any-thing more than evasive generalisations.

The Cambodians, it is thought in these circles, have no intention of sitting down to serious talks about the border problems



until at least the bulk of the estimated 1,000 Thai Communists have shifted from their sanctuaries in northern Cambodia into the Thai side of the border.

Then talks can be focused on Thai support for the anti-Communist "Free Khmer" which Phnom Penh complains regularly launch spoiling raids deep into their interior from bases inside Thailand.

Others think the escalation of insurgency along the Cambodian border region shed a fresh light on Thailand's opaque and complex relations with China. Peking has long since dropped its active material and propaganda support for the Thai insurgents and at the moment it would seem to serve Chinese interests for Phnom Penh and Bangkok to be

on the best of terms to consolidate a diplomatic baseline against the expansion of Soviet and Vietnamese influence in mainland South-east Asia.

But the Chinese have done apparently little to hasten long Sary's long delayed visit to Bangkok, let alone persuade the Cambodians to reduce their support for the Thai insurgents. Indeed Chinese First Vice Premier Teng Hsiao-Peng told Thai Prime Minister Kriangsak during his visit to Peking in March that party to party relations between Chinese and Thai Communists would continue, although Peking considered the Communist insurgency in Thailand an internal affair.

"The Chinese are looking further down the road to the past where hostilities surface with the Soviet Union or Vietnam," a strategy analyst in the Thai military commented. "At that point they are going to want control of as many pieces of the geopolitical board in this region as possible."

The Vietnamese are estimated to have some 25,000 to 30,000 troops stationed in Laos concentrating mostly along the southern panhandle. China however dominates the north of Laos with its 5,000-7,000 estimated "worker-soldiers." Just as the existence of Vietnamese divisions on China's southern border, even if they are never used, would force Peking, in the event of an open clash with the Soviets, to divert some of its strength to cover the possibility of a "second front" in the South, so the North-East of Thailand could be used to outflank Vietnamese positions in Laos.

Continued friction along the Thai-Cambodian border reflects a delicate geopolitical balance: neither Peking nor Phnom Penh can afford to alienate Bangkok entirely, nor however is either willing to embrace the Kriangsak regime at the risk of losing the loyalty of the Communists to Vietnam. Bangkok on the other hand is hardly willing to trade a piece of "liberated" territory for a brisker pace in the lagging process of normalising relations with Phnom Penh.

Indeed, the Thais have swung the full weight of their counter-insurgent machinery into operation in the sensitive provinces along the Cambodian border.

Prime Minister Kriangsak's Pro-Peking foreign policy has left Thailand little option but patience. The administration however hopes that its combination of a hard line along the border together with the continuing improvement of relations with Hanoi will convince Phnom Penh—and Peking as well—that for the moment it has a greater stake in the survival of the Kriangsak regime than the immediate tactical success of the Communist Party.

With national parliamentary elections possible within less than a year, "appeasement of Phnom Penh" could well become the rallying cry for another wave of anti-communist Thai nationalism that would bring down Kriangsak and his policy of rapprochement with Communist powers with him.

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OVERSEAS NEWS

Legal proceedings started against Mrs. Gandhi

BY K. K. SHARMA

NEW DELHI, July 11.

THE JANATA Government today started proceedings that could lead to the arrest of Mrs. Indira Gandhi, the former Prime Minister, her son, Sanjay, Mr. Vidya Charan Shukla, her former Information Minister, and other associates.

Six cases relating to illegal detention, destruction of property and corruption have been registered in Delhi courts by the Central Bureau of Investigation. The bureau will now make full inquiries into the cases and may interrogate people named as the accused. When investigations are complete, formal charges will be made.

The filing of the cases in court of the chief metropolitan magistrate and a sessions judge suggests that the Government has given up the idea of appointing a special court to try Mrs. Gandhi and her associates for crimes allegedly committed during the emergency. That was

proposed by Mr. Charan Singh, who resigned as Home Minister, a fortnight ago after demanding the arrest of Mrs. Gandhi.

Mrs. Gandhi is not to be arrested immediately and this means that the stand taken by Mr. Morarji Desai, the Prime Minister, to rely on normal legal processes has been accepted by the Government. It is also clear that Mr. Desai is trying to show that he is acting against Mrs. Gandhi and not going slow in prosecuting her, as alleged by Mr. Charan Singh.

The method now being used means that Mrs. Gandhi is in no imminent danger. The Government has avoided a difficult situation by not arresting her because her Congress (I) Party had made plans for countrywide agitation in the event of her arrest.

The plans were drawn up soon after interim reports of the

Shah Commission inquiring into charges of abuse of power during Mrs. Gandhi's emergency rule indicted Mrs. Gandhi, her son and other associates. The commission's findings have been studied by officials who recommended the prosecution of the persons named in them but left open the question of how this should be done.

It is clear that the Government will only charge Mrs. Gandhi when concrete evidence is available. It wants to avoid a repetition of the bungling of Mrs. Gandhi's arrest last October when she was released by a magistrate within hours on the grounds that there was no case against her.

The Government also wants to avoid making inquiries but a magistrate within hours on the grounds that there was no case against her.



Photograph by Frederic Mouton

\$ 'main topic for summit'

BY CHARLES SMITH, FAR EAST EDITOR

EXCHANGE RATE problems will rank as a major new topic at the Bonn summit in addition to the four main items of inflation and unemployment, trade, North-South problems and energy which were also discussed at the London summit, Mr. Takeo Fukuda, the Japanese Prime Minister believes.

In an interview in Tokyo yesterday with four European journalists on the eve of his departure for Bonn, Mr. Fukuda said that exchange rate instability was the reason why the economies of major industrial countries had not grown as fast during the past year as had been anticipated at the London summit. "That means that the dollar will become a main theme of discussion at Bonn," he added.

Not only Japan but other countries too will be asking for greater dollar stability.

He called this a very drastic measure but warned that it might still fail if the U.S. failed to curb inflation. A 10 per cent rise in U.S. prices might lead to similar increases in the dollar-denominated value of Japanese exports, which on the basis of current export values, could amount to around \$3.5m. For this reason Mr. Fukuda said Japan would "expect more discipline from others."

He pointed out that Japan's import-restricting policies were already producing an impact on the Japanese trade balance. European countries had raised 35 per cent (in dollar terms) during the five months from January to May, whereas Japanese exports to Europe during the same period had risen only 20 per cent.

On the future outlook for Japan's balance of payments Mr. Fukuda said he thought a current account surplus of \$3bn to \$4bn per year would be a natural and desirable state of affairs. He would enable Japan to develop world. He recognised however that the present was "not normal" in the light of the fact that Japan would be prepared to see its current account move in balance or even into small deficit. "The U.S. fully understands this position," he added.

Mr. Fukuda said he was "at all satisfied" with the current state of Japan-Europe relations which he described as being "much thinner" than before World War II. He had won "step by step" to promote deeper relations with Europe but felt that effort was needed on the other side as well.

Oil shortage in Uganda

NAIROBI, July 11.

AIRCRAFT flying into Uganda have been asked to refuel elsewhere because of fuel shortages in Uganda.

President Idi Amin told representatives of oil companies operating in Uganda yesterday that oil was one of the country's top priorities.

Left-wing call for general strike in Sri Lanka

BY MERVYN DE SILVA

COLOMBO, July 11

WARNINGS from President Jayawardene and Mr. Ronald D. Meel, his Finance Minister, that Sri Lanka must decide between development and subsidies have brought sharp criticism from a breakaway left-wing group.

The Trotskyist New Socialist Party, led by Mr. Vasudeva Nanayakkara, has put up posters

in Colombo calling for a general strike before the Budget in November. Mr. Nanayakkara, a former MP, broke away from the Socialist Party last year.

This group recently captured all the offices in powerful Government Clerical Services Union. It is rapidly gaining strength in the railway, and among teachers. The party has written to all

major unions urging immediate talks on its call for a general strike.

President Jayawardene has said that development and jobs must come before prices. The Finance Minister later gave details of the enormous cost of food and other subsidies. Despite that the next Budget will affect last year's cut in the rice subsidy sugar, flour, petrol, kerosene and bus fares.

Government still spends more than Rs 2,000m (\$130m) on rice, sugar and milk loans. These subsidies were withdrawn 100,000 jobs could be created, Mr. Nanayakkara's posters said. The next Budget will affect last year's cut in the rice subsidy sugar, flour, petrol, kerosene and bus fares.

Israelis pleased by Socialist document

By David Lennen

TEL AVIV, July 11.

ISRAELI REGARDS the draft Socialist International statement on the Middle East as more "comfortable" than the declarations of the EEC on the subject, officials said here privately today.

However, a Foreign Ministry spokesman said that Israel does not consider the declaration issued yesterday by Dr. Bruno Kreisky, the Austrian Chancellor, and Mr. Willy Brandt, the former West German Chancellor, as having any relevance for the forthcoming Middle East talks in London. The only important formulations, the spokesman said, are those of Israel and Egypt.

Nevertheless, Israel is pleased that the Socialist International document makes no reference to a Palestinian state or to Israeli withdrawal to the 1967 borders.

Our Foreign Staff writes: after sponsoring the meeting between President Anwar Sadat of Egypt and Mr. Shimon Peres, the Israeli Labour Party leader, Dr. Kreisky and Mr. Brandt issued a four-point plan saying:

1—Peace can only be achieved by sincere and sustained negotiations. Mr. Sadat's peace treaty should be maintained "until peace treaties are concluded and signed".

2—Peace should be based on normal and friendly relations involving "a new system of regional relations based on close co-operation".

3—Secure boundaries should be established in accordance with U.N. Security Council resolutions 242 and 338 with Israeli withdrawal in each sector "to secure boundaries thus agreed".

4—Peace requires the resolution of the Palestinian problem in all its aspects with "recognition of the right of the Palestinians to participate in the determination of their own future through negotiations in which the elected representatives would take part".

S. Africa inquiry into prisoner's death

Justice Minister James Kruger yesterday ordered a top-level inquiry into the death on Monday of a young black man who fell several floors from security police headquarters in Port Elizabeth, Reuter reports from Pretoria.

Mr. Kruger, in a statement, said Lungile Tabalaza, 20, jumped from the window while being held for questioning on several alleged offences, including arson and the use of petrol bombs. It was at the same building that black activist Steve Biko was questioned after his arrest a year ago. Mr. Biko later died of brain injuries after an inquest decided it could find no evidence to apportion blame.

Selling wave

A wave of selling hit the Taipei stock market yesterday following Monday's 5.3 per cent rise. The New Taiwan dollar against the U.S. dollar. Share holders feared the revaluation would cut deeply into the profits of exporting companies. Reuter reports. Shortly after trading started, 32 stocks plummeted to the 5 per cent maximum price drop allowed in a single day.

Car sales double

Combined sales of the three major South Korean automakers almost doubled in the first half of this year from a year earlier to 71,213 units of cars, trucks and buses, the Commerce and Industry Ministry reported yesterday. The boom in sales was attributed to the booming domestic economy. AP-DJ reports from Seoul. The total, including unspecified exports, breaks down as follows: 37,809 cars, 30,085 trucks and 3,319 buses.

Mobilisation denied

South Yemen yesterday denied North Yemeni accusations that it was mobilising forces along their common border and said the charges, made by North Yemeni Foreign Minister Abdulrahman al-Asnag, were designed to push the Yemeni peoples to war. Mr. Asnag said in Sanaa yesterday the (north) Yemen Arab Republic had asked the Arab League to send a military committee to inspect the borders. Reuter reports from Aden.

New ambassador

Mr. David Marshall, a former Chief Minister of Singapore and political opponent of Prime Minister Lee Kuan Yew, has been appointed Singapore's ambassador to France. A government announcement reported by Reuter from Singapore said Mr. Marshall would be Singapore's first ambassador to France and would take up his new appointment later this year.

Immigration move

Australia will station an immigration officer in Indonesia soon in its efforts to control the flow of refugees from Indochina to Australia, visiting Immigration Minister Michael Mackellar announced yesterday. Mackellar told reporters he had discussed with President Suharto the whole question of Indochinese refugees arriving by boat in Australia via Indonesia. Reuter reports from Jakarta.



Moktar Ould Daddah

Mauritania will 'remain pro-Western'

PARIS, July 11.

THE NEW Government in the North African republic of Mauritania has made known its readiness to continue the pro-Western policies of deposed President Moktar Ould Daddah. Reports reaching Paris from the Mauritanian capital, Nouakchott, indicated that yesterday's bloodless military coup was inspired by internal pressures. Diplomats in Paris expect the military leaders, headed by Colonel Mustapha Ould Salek, to introduce no major foreign policy shifts.

Mauritania is engaged in a protracted war against Algerian-supported Polisario guerrillas, and is the focus of power rivalries involving Algeria, Morocco and France. The last news from Nouakchott before communications were cut last night was that the capital, located on the edge of the Sahara, was calm. The new leaders imposed an overnight curfew.

Informed sources in the capital said troops entered the palace before dawn yesterday and arrested the President. He was reported under house detention. Reuter

Mintoff attacks BBC bias

VALETTA, July 11.

MR. DON MINTOFF, the Maltese Prime Minister, has blamed what he calls unfair treatment by the BBC and leading British newspapers for his Government's ban preventing British journalists from entering Malta.

In a statement to Parliament, Mr. Mintoff said the worst behaviour was that of the BBC which interviewed a Malta Government Minister in March and then failed to show the programme. Since then the BBC had consistently maintained its bias in covering Maltese affairs, Mr. Mintoff said.

He said the ban on British journalists was a first step. If within a week the BBC did not broadcast the views of the Maltese majority, Malta was prepared to take other steps. Mr. Mintoff denied that his decision had anything to do with the incident in which his

Hungarian truck pact

RABA ENGINEERING, of Hungary, and Eaton Corp. of the U.S. have announced that the Hungarian company will sell truck axle assemblies valued at \$300m to Eaton over the next 10 years.

RABA's general manager, Mr. Ede Horvath, and Eaton's president, Mr. Paul Miller, say the value of the agreement could reach \$500m.

Mr. Horvath said the recent US granting of most-favoured nation status to Hungary meant the axle assemblies would be subject to a 4 per cent customs duty, instead of the 25 per cent AP-DJ

MILITARY BUILD-UP REPORTED

Beirut ceasefire threatened

BY ISHAN HIJAZI

BEIRUT, July 11.

CLASHES THIS morning and late last night between Syrian troops of the Arab peace-keeping forces and Christian militias in the south-eastern suburbs of Beirut have raised fears that the brittle ceasefire, which has been in effect for the past few days, may break down.

Several thousand Syrian troops continue to besiege the Christian quarters of east Beirut, which last week were the scene of heavy fighting and shelling, prompting President Elias Sarkis to threaten to resign.

Combatants last night traded rockets and rocket-propelled grenades on the line separating the predominantly Christian quarters of Ain El-Rummaneh and the Muslim district of Chiyah.

Heavy shelling today led Lebanese police to close the area to traffic. There was some traffic yesterday after a let-up in the fighting.

The escalation coincided with reports of a military build-up by the right-wing militias following a meeting by their leadership last night under Mr. Bachir Gemayle, their overall commander.

All efforts to persuade Mr. Sarkis to change his mind have so far failed. An official explained that the parties concerned in the conflict continue to hold on to their inflexible positions.

However, Damascus has been the scene of extensive activity as Syria has sought to unite Lebanese Muslims and Christians.

President Hafez al-Assad today met with Mr. Kamel al-Assad, the speaker of the Lebanese Parliament.

Yesterday, the Syrian head of state received a message from King Khalid of Saudi Arabia which was delivered by foreign

minister Prince Saud al-Faisal, the Saudi Foreign Minister. A Press release later by the Syrian news agency said Syria and Saudi Arabia were in agreement that all factions in Lebanon must yield to the legitimate authorities of President Sarkis.

Prince Saud flew to Baghdad today to deliver a letter to President Ahmed Hassan al-Bakr. It was not immediately known if he will visit Beirut as well.

A visit yesterday to the Syrian capital by Lebanese Communists ended a two-year strain between them. The strain had started when Syrian troops were fighting the Palestinian guerrillas and the left-wing factions during the civil war.

Mr. Walid Jumblatt, leader of the Progressive Socialist Party and a prominent Druze figure, visited Damascus yesterday on his own and held talks with President Assad.

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حکومت پاکستان

AMERICAN NEWS

Carter pleads for scope to restrict imports of oil

BY DAVID BUCHAN

WASHINGTON, July 11.

PRESIDENT CARTER today urged Congressional leaders to give him the authority to restrict imports of oil, in advance of the Bonn economic summit at the weekend with western European countries, Japan and Canada. At the same time, White House officials are making it clear that Mr. Carter expects positive action from the other six participating governments on the other issues of economic growth and trade.

Mr. Carter's plea to democratic Congressional leaders this morning came two days before members of the Senate and House of Representatives are due to take up again Mr. Carter's Energy Bill. This Bill now includes a Senate amendment explicitly requiring the President to impose extra duties to discourage oil imports.

The President has threatened to impose these duties unless Congress approves an Equalisation Tax, bringing the price of

domestic oil up to world market levels and thereby squeezing consumption.

In fact, during the first five months of 1978, oil imports by the U.S. fell to a total of 1.2bn barrels, worth \$15.8bn, from a total of 1.34bn barrels, worth \$17.6bn, in the equivalent period of last year. But total energy use in the U.S. has barely slowed, with the difference being made up in more oil pumped from Alaska and greater use of natural gas. The major trading partners of the U.S. see radical curbs in U.S. oil imports as the only way to help the sagging dollar and reduce the wide deficit on the current account.

Nevertheless, Administration officials are making it clear that Mr. Carter does not intend to sit passively and let other national leaders at the Bonn summit use the energy stick to beat him, without in his turn demanding action on other issues. Mr. Jody Powell, the White House Press Secretary, yesterday told reporters, "we have a right to be justifiably proud in maintain-

ing economic growth and, a strong resistance to protectionist arguments, even at some political cost to the Administration."

The Chief Administration economist, Mr. Charles Schultz, also stressed today that the U.S. was looking to those countries with strong surpluses and low inflation "to take up the baton from the U.S. in generating growth in the western economy."

Mr. Schultz, the Chairman of the Council of Economic Advisers, told a conference held here by the Organisation for Economic Co-operation and Development that the U.S. economy had grown by 6 per cent from the end of 1976 to the end of 1977, with the unemployment rate falling by 2 per cent in the last 18 months. But, he said, "it is necessary and inevitable that the U.S. economy will now grow more slowly in the next 18 months."

Rockefeller family head killed in car crash

By Our Own Correspondent

NEW YORK, July 11.

MR. JOHN D. ROCKEFELLER III, the oldest member of one of the wealthiest families in the U.S., was killed yesterday in a car crash in Westchester County, just north of New York City.

Mr. Rockefeller was the eldest of the five sons of Mr. John D. Rockefeller Jr., and the grandson of Mr. John D. Rockefeller, the oil industrialist who built up the



Mr. John D. Rockefeller III

Standard Oil group of companies.

He was born in 1906 and took on the role of family philanthropist. He was chairman of the Rockefeller Foundation until seven years ago. Three of his brothers—Mr. Nelson A. Rockefeller, 70, a former Governor of New York and Vice-President of the U.S.; Mr. Laurence S. Rockefeller, a 68-year-old conservationist and businessman; and Mr. David Rockefeller, the 62-year-old chairman of the Chase Manhattan Bank—survive him.

His only son, Mr. John D. Rockefeller IV, is Governor of the State of West Virginia and last night flew to New York to be with his mother.

U.S. COMPANY NEWS

Federal jury rules against Xerox; Mellon National ahead at half-time; Doubts over airlines merger — Page 21

Mexico seeks Europe energy link

BY HUGH O'SHAUGHNESSY

THE NEWS that the Mexican Government had talks on Monday with Ureco, the British-Dutch-German nuclear consortium, and with British Nuclear Fuels as part of the official visit of Sr. Santiago Roel, the Mexican Foreign Minister, to London, underlines the fact that Mexico is beginning to work out a long-term strategy to make the best of its strong position as a major fuel exporter.

According to Dr. Francisco Vazquez Murray — director-general of the Mexican National Nuclear Institute, who headed the Mexican team in its talks with Ureco on Monday — his country should be able in the next ten years to prove that there are 500,000 tons of uranium waiting to be mined.

He confidently expects Mexico to become a major uranium exporter in the next decade. At the same time, the very oil finds that Mexican Petroleum (Pemex), the State oil company, has made in recent years has put the country back on the map as a big oil exporter.

By the end of the year, Mexico should be producing 1.2bn barrels of oil a day and exporting

500,000 b/d. Reserves could well be 120bn barrels.

The Mexicans want to coordinate their nuclear and oil strategies to the best advantage, and their talks on Monday were the beginning of efforts to make those strategies a reality.

The Mexican Government sees

capacity in Britain.

In developing its potential, Mexico is keen not to become too dependent on the U.S., its powerful northern neighbour whose businessmen are already firmly entrenched in many branches of the Mexican economy. Hence the approach to Ureco and British

In developing its potential, Mexico is keen not to become too dependent on the U.S., its powerful northern neighbour, whose businessmen are already firmly entrenched in many branches of the Mexican economy.

particular advantage in trading the possibility of supplying uranium to Europe against the provision of European nuclear technology for the development of Mexican nuclear programmes.

These are ambitious. There are only two reactors now producing electricity in Mexico, but the Government expects to bring its potential for generating nuclear power up to 18,000 MW by the end of the century. This, which Dr. Vazquez stresses, is only a minimum figure, is rather greater than the present installed

Nuclear Fuels this week to discuss the conditions under which Europeans would undertake the enrichment of natural uranium for use in Mexican reactors.

Dr. Vazquez emphasises that Mexico wants to be more than a buyer of services, and wants to become a partner in nuclear enterprises with the Europeans. He sees the fact that Mexico could become an important provider of uranium to Europe as a strong card in Mexican hands in achieving this partnership. He

also sees Mexico as a possible trade partner for three-way deals under which, for instance, Mexico could ship oil to South American markets on behalf of European oil companies, receiving in return European nuclear know-how and facilities paid for by the South American purchaser of the Mexican oil. Mexico, though not a member of OPEC, has undertaken not to undercut OPEC prices. Pemex has talked of collaboration with the British National Oil Corporation.

He professes a great admiration for British nuclear technology and makes particular mention of the know-how available for the smaller and medium-sized British companies in the business. He says, however, that these companies have not yet got the assured market for their wares of which the nuclear industry in other, bigger countries can be assured. Mexico, he suggests, could be an interesting market for British exporters. Sr. Roel and his party continue their European visit in Paris and Bonn this week. By the end of their journey, they are likely to have laid the basis for a policy of long-term co-operation with the Europeans on energy matters.

Senate likely to approve aircraft carrier

WASHINGTON, July 11.

PROPOSAL to build a \$2bn nuclear-powered aircraft carrier, posed by the Carter Administration, appears to be heading for Senate approval without a fight. But battle lines are being drawn over a navy aircraft programme.

Senator Gary Hart, a Colorado Democrat, offered an amendment today to kill a proposed \$982m loan for the F-18 fighter. The fighter has been given only lukewarm endorsement by the navy but it has some powerful supporters in Congress. After debate, the Senate rejected the Hart amendment by 88 to 22 votes.

The F-18 issue was the only major contest in the \$36bn weapons Authorisation Bill which came before the Senate yesterday. The measure calls for sending \$566m more than the administration proposed, but \$1.5bn less than the House recently authorised. There was no sign of opposition to the nuclear-powered aircraft carrier which was added to the Bill by the Armed Services Committee despite the Administration's objections. P.D.J.

Guyana poll arrests

GEORGETOWN, July 11.

THE GUYANA OPPOSITION leader, Dr. Cheddi Jagan, has said that one opposition politician was arrested during yesterday's referendum. He said that the arrest was a "disgrace" and that the opposition would not accept it.

A spokesman for the Home Affairs Ministry said some people had been arrested after incidents at the polling stations. But he denied an allegation by Dr. Jagan that people were being taken by bus from polling station to polling station to vote several times.

Shell abandons off-shore well

BY OUR OWN CORRESPONDENT

NEW YORK, July 11.

SHELL OIL has disclosed that it has abandoned its first exploratory well in the Baltimore Canyon Trough some 73 miles off the New Jersey coast, east of Atlantic City.

The announcement that a second dry hole has been bored in the off-shore oil prospect, which had been considered as one of the most interesting of the recent areas opened up for drilling, will be a disappointment

ment to the companies which have purchased leases.

Last month, Continental Oil also announced that its first exploratory well was a dry hole. Attention is now focussing on Mobil Oil's exploration in the area, since it is drilling in what some geologists believe to be the most promising area of the Baltimore Trench. Results of its efforts are expected in October or November.

Bolivia election squabble

LA PAZ, July 11.

CONFUSION SURROUNDED the outcome of the Bolivian general election today after each of the two leading Presidential candidates — claimed victory and accused the other of fraud.

The situation was exacerbated by the slowness of the official count, which by last night had tallied fewer than 400,000 of the almost 2m votes cast on Sunday.

The electoral court gave the 162,137 votes to General Juan Pereda Asbun, who is backed by the ruling military government; and 132,294 among the other five candidates.

If no candidate receives more than 50 per cent of the vote, the new President will be chosen by the new Congress, also elected on Sunday, which is to meet for the first time on August 5.

Gen. Pereda, 46, an Air Force officer and a former Interior Minister, said last night that, on the basis of an unofficial tally of 38 per cent of the vote, he and the Right-wing People's Party Nationalist Union had received 60 per cent of the votes counted so far.

But Dr. Siles Zuazo, who was President from 1956 to 1960, said that the majority of the voters had clearly rejected the government candidate. He said he was ready to form a coalition with other opposition parties.

Gen. Pereda, speaking at a conference, accused Dr. Siles of being an agent of international extremism. "Dr. Siles receives anonymous sums from overseas. We have witnesses who say he had used it to buy votes," he said.

He declined to say where the money was coming from, but added that the Communist Party in Bolivia was backing Dr. Siles.

Dr. Siles told a separate news conference that Gen. Pereda had used fraud to obtain high voting returns in some areas. But, he said, the Bolivian people had expressed "their rejection of the dictatorship installed in August, 1971," a reference to the coup which brought the present President, Gen. Hugo Banzer, to office.

Dr. Siles, who returned from exile in March, said he was ready to form a government in coalition with Christian Democrats and other leaders of the Centre groups, who gained surprising leads in two provinces.

Under the electoral law, up to 50 per cent of congressional seats should go to the party of the winning Presidential candidate, nearest rival.

Under the electoral law, up to 50 per cent of congressional seats should go to the party of the winning Presidential candidate, nearest rival.

More Nicaragua deaths

BY JOSEPH MANN

MANAGUA, July 11.

VIOLENCE ERUPTED again in Nicaragua yesterday when a group of protesters, mainly students, clashed with soldiers and unidentified civilians in the city of Jinotepa, south of the capital. Reports today said that five persons were killed and about a score injured.

According to an account today in the Managua newspaper La Prensa, a group of persons protesting against the Government of General Anastasio Somoza were fired on by three unidentified men. Nicaraguan National Guardsmen arrived soon afterwards and five persons were reported dead after soldiers fired into the crowd. The newspaper said that protesters tried to defend themselves against the troops by throwing bombs, but did not say whether shooting came from both sides.

The Jinotepa incident was the latest in a series of riots and strikes which began after a local newspaper editor, Sr. Pedro Joaquín Chamorro, was gunned down in January. Sr. Chamorro's La Prensa has maintained outspoken criticism of the Somoza regime, and the editor was the most prominent single opposition figure in Nicaragua.

The government of Gen. Somoza while energetically denying that it had anything to

do with the death of Sr. Chamorro, was blamed for the killing by many supporters of the editor. It is still not clear who ordered a paid killer to shoot the opposition leader.

The anti-government protests still affect the country, and tensions here have reached the highest level in recent years. Supporters of Sr. Chamorro were planning a Mass this afternoon to commemorate his death, six months ago today.

Kaiser expansion plans

KAISER ALUMINUM and Chemical Corporation has announced a major expansion of the Koblenz, West Germany, rolling mill of its wholly owned subsidiary, Kaiser Aluminium Europe (KAE). The programme will significantly increase the facility's capacity to produce rolled aluminium products, will lower production costs, and will give KAE added capability for the production of aircraft plate for both military and commercial use.

The cost of the Koblenz expansion programme is expected to total DM 24.35m, or approximately \$11.6m.

The Koblenz plant, which produces aluminium extrusions and building products as well as sheet and plate, is one of four continental European facilities

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WORLD TRADE NEWS

Peking boosts purchases of second-hand vessels

BY LYNTON MCALIN

CHINA HAS taken advantage of the slump in the world shipping market to buy eight second-hand ships surplus to Western needs, at about half the original price.

The move is the latest in a series of purchases aimed at improving China's merchant fleet and giving the country independence from charterers as its volume of trade with Japan and the West builds up.

The Chinese were reported yesterday to have bought an 85,000 dwt ore carrier built in 1971 for a second-hand price of \$3.4m. It was also reported to have bought a one-year-old 72,000 dwt bulk carrier for \$7.5m. Two 11-year-old general cargo ships have been sold for \$3m each.

Two unwanted cargo ships were also sold to the Chinese for a resale contract price of \$6.5m each and a third for \$7.5m.

This is not the first time China has been active in the second-hand cargo ship market. But its latest purchases, it is confirmed, show the country is aware of rising charter rates in most dry cargo trades.

This has had the effect of marking-up interest in older ships, and in the long term this may be reflected in higher second-hand prices.

China has also bought a new roll-on roll-off vessel for \$10m to \$12m. This was built by a Japanese yard for an Italian customer, but Lloyd's List, the shipping journal said the Chinese had

signed a contract direct with the yard.

Grain imports to China have increased rapidly in the past five years creating additional need for merchant shipping capacity.

This may now be provided on an increasing scale by outright purchases of second-hand ships in place of the country's former policy of chartering a large proportion of its shipping needs.

Hong Kong's China trade

FINANCIAL TIMES REPORTER

IN LINE with China's new foreign trade policy, the country's trade with Hong Kong has been steadily increasing. The two-way trade, valued at HK\$3,300m last year, made China Hong Kong's third largest trading partner.

This trade in the first four months of this year was 30 per cent higher than in the same period last year, amounting to almost HK\$800m, reports the Hong Kong Trade Development Council. This trend is expected to continue.

At the same time, China's

intensified involvement in Hong Kong's financial, commercial and industrial sectors is manifestly clear in recent developments. The Chinese is currently Hong Kong's largest supplier of imports after Japan.

Daily supplies of Chinese commodities to Hong Kong are chiefly foodstuffs, fuels and textile semi-manufactures that are needed to feed the local population and industry.

For these supplies Hong Kong paid HK\$2,900m in the first four months of this year. For the same months last year the bill was HK\$2,400m.

Eaton agree parts deal with Raba of Hungary

By Terry Dodsworth

ONE OF the leading U.S. commercial vehicle component companies, Eaton Corporation of Cleveland, has agreed to buy about \$300m worth of equipment over the next 10 years from the Hungarian company Raba Railway Carriage and Machine Works.

The deal, signed after a month of negotiation, also opens up the possibility of Eaton selling parts to Raba.

To American companies, which have extensive interests in the U.S. and the rest of Western Europe, this development may help to promote other trading links such as licensing agreements between Eaton and Raba and other Hungarian companies.

In the first place, Eaton has agreed to purchase significant quantities of Raba-manufactured axles and axle components to use in its own trucks. Raba may then buy some Eaton transmissions and other components from Eaton.

There was no clarification as to the size of the components involved. But Eaton specialises in the heavier end of the truck industry while Raba, one of the largest manufacturing companies in Hungary, produces diesel engines, front and rear axles for trucks and tractors, heavy-duty trucks, articulated vehicles and railroad cars and equipment.

The agreement follows a period of increasing links between the West and Eastern bloc trading communities in the commercial vehicle industry. Several West German companies, including MAN and Mercedes, now do a considerable amount of business with Communist countries. For example, a truck under a MAN licence.

At the same time, Perkins the UK subsidiary of Massey Ferguson, is involved in developing an engine plant in Poland. But until now, most North American motor companies, with the exception of Massey, have been slow to develop links with the area because of the buy-back arrangements involved in most deals. General Motors, for example, after investigating several projects, is proceeding very cautiously at present.

Bechtel joint venture in Iran

BY ANDREW WHITLEY

TEHRAN, July 11

THE GIANT American engineering corporation, Bechtel International, has formed a joint venture with Iran's state-owned Industrial Development and Renovation Organization (IDRO) and the National Iranian Oil Company (NIOC).

The new company, in which each company has a one-third share will be involved in a wide range of heavy engineering work in Iran, especially in the oil, gas, petrochemical and nuclear fields.

Essentially a design and management services company, a director of IDRO, Mr. Bijan Sheibani, said today it would be able to bid for the construction of nuclear plants, for example, in competition with companies already established here such as Karpas and Frattinone.

The as yet unnamed company will derive much of its work from the activities of its two Iranian partners. An immediate task will almost certainly be the construction of a \$170m (R12bn) desalination plant, at the behest of IDRO, at Char Bahar on the Gulf coast.

Informed sources say Bechtel made the original approach to IDRO some six months ago. NIOC then became interested in joining the marriage, as a result of its new chairman's declaration last autumn that the State oil company was to diversify into other fields, to help strengthen Iran's industrial base.

Final agreements were signed last month, but the announcement was only made last night. The company has been set up with an initial capital of \$30m. The management and Board structure is not yet clear, nor who will have the decisive voice on projects, though sources here say the Iranians will obviously have a veto power.

Entering the joint venture pushes Bechtel from a position of relatively insignificant achievement in Iran, to date, to a potentially highly favoured role. The new company is expected to replace nearly all its American parent's activities here.

Some three-quarters of the imports that are sent into Iran from West Germany originate from EEC countries with long cycle-manufacturing traditions—Italy, France and Britain. However, the West German parts manufacturers are blaming their plight primarily on imports "at dumping prices" from East Asia and certain East European countries.

German cycles under pressure

BY GUY HAWTIN

FRANKFURT, July 11

DESPITE A boom in demand for bicycles and lightweight motor cycles in the Federal Republic last year, West German domestic suppliers of parts to the home manufacturing industry have seen sales stagnate. The market is rapidly being taken over by imported products—a growing share of which comes from low cost countries in the Far East and Eastern Europe.

Imports last year accounted for 42 per cent of all parts supplied to the West German cycle manufacturers — themselves under strong pressure to hold down prices. In the first four months of this year the market share controlled by imports rose to 47 per cent.

The figures, provided by Herr Heinz Lichter, general manager of the industry's trade association, show that last year the industry sales remained virtually unchanged at DM 232m (€142.7m) although West German bicycle manufacturers alone increased their output by more than 17 per cent.

In contrast, he told the national daily, Die Welt, sales of imported parts were making the running with a sales increase of some 28 per cent. Last year the value of imports totalled DM 123m while the German parts manufacturers' world sales totalled DM 520m (€324.2m) only because of a 25 per cent increase in exports.

Last year had been a boom year for the West German cycle

and lightweight motorcycle manufacturers and the current year was expected to be another. However, for the 60 companies in the German parts-making sector — and their 5,000 employees — there was little prospect of seeing the boom passed further down the line.

Some three-quarters of the imports that are sent into Iran from West Germany originate from EEC countries with long cycle-manufacturing traditions—Italy, France and Britain. However, the West German parts manufacturers are blaming their plight primarily on imports "at dumping prices" from East Asia and certain East European countries.

Slavenburgs Bank is involved because Sojuznefte claims it gave guarantees for the payment for the oil. Slavenburgs said it guaranteed deliveries for a total of \$4.5m and that this had been paid, but that it was not involved in any further guarantees given to the Soviet side. A spokesman for Slavenburgs refused to comment on reports that the bank had been buying its own shares on the Amsterdam Stock Exchange to support the price which had come under pressure because of the claim. Slavenburgs said it had informed the Dutch Central Bank of the charges which had been made against it.

Joocil, which has offices in Bermuda and New York, apparently stopped payments for the oil, claiming that the Soviet exporters had broken their contract because they could not maintain regular deliveries.

Contracts for Peat Marwick

By Tim Dickson

TWO CONTRACTS in Jordan worth a total of about \$200,000 in fees have been awarded to the management consultancy firm Peat, Marwick and Mitchell.

The contracts are further evidence of the growing volume of overseas consultancy business undertaken by British firms, particularly in the Middle East.

The first contract in Jordan is a review of the complete organisation structure of the Jordan Phosphate Mines Company, covering general and technical management, mine activities, finance, marketing and purchasing.

The other contract involves a reorganisation and financial audit of the Municipality of Amman where the population has grown to just under 1m from roughly 250,000 in 1962.

Soviets sue Dutch groups

BY CHARLES BATCHELOR

AMSTERDAM, July 11

THE SOVIET oil exporting agency is claiming more than \$100m from an international oil trading company and a Dutch bank for the alleged non-payment of bills. Sojuznefte-Export has informed the Public Prosecutor of the District Court in Arnhem that it plans to submit a written claim for \$101m from Joocil BV of Berg en Dal, south of Arnhem, from a director of the company Mr. John Deuss and against Slavenburgs Bank of Rotterdam.

It is not yet clear whether the claim is also against First Curacao International Bank (FCIB) of Willemstad on the Netherlands Antilles of which Mr. Deuss is also a director, the Public Prosecutor said. A written deposition is expected in about a week when the details of the claim will be known, he added. The Public Prosecutor will then decide whether there is a case to answer.

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CANADIAN WINE

Baby Duck for Britain

BY KENNETH GOODING

A DEEP red, sparkling table wine with the strange name Baby Duck has become Canada's best-selling brand and is now to be launched in the UK.

The reason this is causing some excitement among the British wine drinkers, who see new wine brands come and go with monotonous regularity, is that Baby Duck's success in Canada will take its sales this year to 84m bottles. Very few of its rivals reach this level anywhere in the world.

It has transformed the prospects for the brand owners, Andre's Wines of Ontario, a company which has quickly moved from the third place to the top of the Canadian wine company league and its share price has doubled on the local stock exchanges to around \$316.

John F. Haggie, senior vice-president in charge of marketing worldwide for Andre's, claimed that Baby Duck represented one case per year for every 25 Canadians. "Only Heinz Ketchup dominates its own market like that," he said.

Andre's research shows that 38 per cent of all Canadians who drink wine have drunk Baby Duck in the past six months. Some 63 per cent of Canadians

drink wine and 18 per cent say that Baby Duck was the most recent brand they drank.

There are 10,000 different sorts of wine available in Canada but the French Canadians have taken to the brand.

Baby Duck will be made in Britain with the help of a concentrate of red grape from Canada by J. E. Mather which has a winery in Leeds and is probably best-known for its Old England range of British wines. The drink gets its unique flavour from the Vitis Labrusca grape which is peculiar to the Niagara region.

Mather is controlled by Matthew Clark and Sons, the quoted but independent wine and spirits group, and by coincidence Clark's product, Stone's Ginger Wine, has just been re-launched in Canada by Andre's.

Andre's was founded only in 1961. It has six wineries in Canada, a turnover last year of \$35m and profits before extraordinary items of \$52.1m.

The company's development has been against the background of fast growth for retail sales of wine in Canada. In the past ten years they have grown at a steady 9 per cent a year from

CS100m to nearly \$400m. This compares with an advance of 3 per cent for beer and 4 per cent for distilled spirits.

Over the same period Canadian wine consumption has grown from 0.6 gallons to 1.3 gallons a head each year, still well behind the major European wine countries like France, 32 gallons, and Italy, 23 gallons.

"Canadian wine consumption may never reach the high levels of the traditional wine drinking nations of Europe but there is certainly room for growth," said Mr. Haggie.

He will make Stone's Ginger Wine under licence and will also take responsibility for getting it, a much wider distribution among the Provincial liquor monopolies.

As for Baby Duck, the UK operation in its first year outside Canada, Matthew Clark is looking for sales of 380,000 bottles by the end of this calendar year but Mr. Haggie believes, as a result of trade visits he has made with the Clark salesmen, this is very conservative.

Test-marketing will begin in the Harlech television area and one of Mather's other shareholders, Bass Charrington, will lend some support.

Serck to make valves in U.S.

ATLANTIC RICHFIELD has agreed a joint venture with the British company, Serck Limited, for valve production in the U.S.

Under the agreement Serck will purchase the facilities and products of the Alloyco division of Walworth, a subsidiary of Arco's Alcoa unit and a valve producer, as well as Walworth's lubricants, non-lubricated plug valve lines. Serck will produce its own and Walworth's valves in the U.S.

Arco and Serck will form a joint managing and marketing company to be called Walworth Serck Alloyco to manage both Walworth and Serck Alloyco.

Philip Morris to make cigarettes in Hungary Philip Morris has begun production of its Marlboro brand cigarette in Hungary for sale in that market under a licence agreement with Dobanyivari Szallitok Trostle and Mon Imper Hungarian foreign trading company.

Production is under way in Trostle's plant in Eger and the blend used includes a significant portion of U.S.-grown tobacco, reports Reuters from New York.

Israeli exports rise Israel's exports grew by 29 per cent in the first half of the year to total \$1,836m compared to \$1,426m in the first six months of 1977, according to the Central Bureau of Statistics.

Polished diamonds, which constituted 43 per cent of all exports, brought in \$642m, 31 per cent up on the same period last year, reports David Lennou from Tel Aviv.

A 50 per cent increase was registered for exports of metal products, machines and electronics.

Citrus, one of Israel's largest export items, registered a five per cent increase in export income, to total \$153m. Other agricultural exports grew by 42 per cent to \$151m.

Experienced Determined Successful '77

The bank's success is well founded on its experience and long-established connections in this area. Together with the broadest support of the savings banks as well as its subsidiary, the Hansa Bank S.A., the Landesbank is a true all-purpose, major, the Landesbank is co-operating with other major banks in the Schleswig-Holstein area, offering a wide variety of services to solve any financial problem.

In 1977 the Landesbank had another successful year. The total volume of credits rose to 16,213 million DM. Public sector and property development borrowing increased

The business in 1977 at a glance:

Volume	18,441 mill. DM (+16.3 per cent)
Balance sheet total	16,902 mill. DM (+14.2 per cent)
Volume of credits	16,213 mill. DM (+14.2 per cent)
Debentures issued	7,700 mill. DM (+14.3 per cent)

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مکان العمل

HOME NEWS

EEC directive will press companies for double accounts

BY MICHAEL LAFFERTY

BRITISH COMPANIES will come under further pressure to produce two sets of accounts when the recently-approved fourth EEC company law directive is implemented, according to a study released yesterday by chartered accountants Thomson McLintock.

The accountants say that the main effect of the new directive will be "the administrative difficulties involved in altering every set of company accounts to the prescribed format."

But they also draw attention to some possible side effects.

"Already, many shareholders find the existing accounts unintelligible, and it is not difficult to envisage the introduction of a formal requirement for two sets of accounts to be produced—a full set for filing with the Registrar of Companies and available only on demand and a simplified set issued to all shareholders (and employees)."

On the matter of goodwill, which the directive requires to be written off systematically, the study suggests that companies with material amounts in their

balance sheets may wish to consider taking action before enactment of the new directive.

Referring to the European Commission's work on developing accounting valuation standards, Thomson McLintock says this raises a question mark over the role of the UK Accounting Standards Committee.

It may be asked whether it should continue to legislate for the UK profession in anticipation of, and possibly at variance with, possible future European requirements.

The study has been published ahead of the official EEC document, not expected to be issued until the end of the month.

Another report on the directive has come from Price Waterhouse in a bulletin circulated to clients yesterday.

Copies of the Thomson McLintock booklet are available from Mr. Frank Thomson, McLintock, 70 Finsbury Pavement, London EC2A 1SX. The Price Waterhouse bulletin may be obtained from Mr. Julian Hinton, Price Waterhouse, 32 London Bridge Street, London SE1 9BY.

UK half-yearly car output rate up 3%

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

UK CAR production rose slightly last month compared with May, helping the industry to a half-yearly output of about 3.0 per cent more than in the same period last year.

Officially this means that the UK manufacturers have a good chance to exceed last year's production of 1,516,000 units. But there has been a notable decline recently in optimism for the industry's prospects.

This is due to the arrival of the holiday season, which will bite deeply in July and August, and the recent rash of industrial disputes at all four UK producers, particularly at BL Cars and Chrysler.

Serious disputes at the latter two State-aided companies were still going on last night. Actual production last month, covering a five-week period, came to 124,000 units, compared with 123,000 in May and 117,000 in June last year.

On a seasonally adjusted basis, this amounted to 112,000 cars, compared with 106,000 in May—both of these months providing poorer results than in March and April, when the industry produced 126,000 and 121,000 units respectively.

In the first six months of the year, output of UK manufacturers rose from 721,000 units a year ago to 723,000.

In the commercial vehicle industry, production is still rising, totalling 35,100 units last month, compared with 37,500 in May and 32,900 in the same month last year.

On a seasonally adjusted basis it was slightly down on last month (34,100 units compared with 35,400), but production during the last three months has risen by 5 per cent compared with the previous three months.

Overall commercial vehicle output has risen in the first six months of this year by a little over 2 per cent compared with the same period last year, from 210,700 units to 215,600.

State chiefs voice pay rise worries

By John Elliott, Industrial Staff

NATIONALISED INDUSTRY chairmen are to write to the Prime Minister asking him to detail how the Government proposes to pay them the salary rises of 70 per cent or more that Mr. Callaghan promised early last week.

Despite Mr. Callaghan's announcement that the Government would phase the rises in by April 1980 which they welcomed, the chairmen are worried by the fact that he did not specify the individual amounts to be paid in the next two years.

The rises follow publication of the Boyle Top Salaries Review Body report, which said that to catch up with increases in private-sector salary levels since 1972, the chairmen and Board members of nationalised industries should have rises of up to £20,000 a year.

This was accepted by the Prime Minister despite opposition from some prominent Cabinet members and loud protest from Labour MPs.

Mr. Callaghan told the Commons that the rises were "appropriate" and would be introduced in three stages, with 10 per cent this year followed by further rises next April and in April 1980.

No guarantee

It was assumed at the time that this would mean that the balance of the rises would be paid in two equal stages in the next two years. For example, chairmen of the gas, rail and electricity industries would move up by 10 per cent this year from £24,700 to £27,170; and then by two £4,515 (25 per cent) annual stages to reach £40,000 in 1980.

But a meeting of the Nationalised Industries' Chairmen's Group has decided that since there is no guarantee that this is how the money will be paid, they want detailed reassurances.

Some fear that if a Phase Four pay policy is successfully introduced, the Government may be tempted to limit their rises next April to an official limit of perhaps about 7 per cent. This would not breach the Prime Minister's promise to pay in full by 1980.

The chairmen are also worried about the impact of the rises on salary bands for some Board members, and also want to know how a proposed increase from £1,000 to £2,000 a year in part-time Board members' fees will be implemented.

They want to urge the Government to raise the final figures to compensate them for rises in inflation in the next two years. This would mean that the chairmen now due for £40,000 would actually receive more by 1980.

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Ship company wants to end tanker order

By Our Belfast Correspondent

A U.S. shipping company has told the Harland and Wolff shipbuilding group that it wants to terminate a construction contract for a 250m super-tanker at the cost of dispute between the two parties since early this year.

The tanker, Coastal Corpus Christi, was tendered to Woodstock Shipping, a subsidiary of Coastal Gas of Houston, by the Belfast yard in February and again in March, but the owner refused delivery.

The dispute went to arbitration which began in London a week ago. The ship is still lying in Belfast.

A roll showing the royal household expenses of Edward I for the year 1289-90 sold to Quirich for £5,000, rather more than the King's outgoings for the year.

Christie's held its annual summer sale of collectors' cars at Beaulieu and raised £317,920, with the two top lots selling a 1927 Amie, a racing two-seater, went for £26,000, as did a 1929 Packard which was supplied to a Middle Eastern ruler who drove it for 1,000 miles, then abandoned it.

After 30 years of dereliction, it was restored to a fine condition. A 1966 Ferrari Spyder sold for £12,000.

Among prices at the lower level were the £1,800 for the last open Morris Minor to come off the production line in 1969 and the £2,200 for a 1937 Austin Mayfair seven-seater limousine.

Central government borrowing in line with Budget target

BY DAVID FREUD

THE CENTRAL government borrowing requirement over the first three months of the financial year appears to be in line with Budget projections, in spite of seasonal distortions.

The requirement for the three months was £2,500, compared with £1,700 in the same period last year, according to Treasury figures released yesterday.

The increase is due almost entirely to changes in the pattern of tax receipts by the Inland Revenue.

In the three months last year, none of the tax rebates had come through, while some have already been paid this year.

When this factor is taken into account, the size of revenue and expenditure of the Consolidated Fund—the main element in central government transactions—are in line with Budget projections.

Consolidated Fund expenditure last month was £529m up on £505m in June last year, bringing the April-June increase in expenditure over the same period last year to £115m.

This was an increase of 17 per cent—the same percentage as projected for the financial year as a whole.

This contrasts with expenditure figures for March-May last year, which were slightly ahead of the projected percentage increase for the year.

Consolidated Fund revenue last month was £255m higher than June last year. This brought the total for April-June to £750m, or 8 per cent, above the same period last year.

For the financial year as a whole, the Budget forecast a 10 per cent increase.

Receipts should come into line with the projection later in the year when the distortions caused by the timing of tax changes unwind.

In the first three months, Inland Revenue receipts were only £185m up on the same period last year, compared with the projected rise for the whole financial year of £2.9bn.

There was a net repayment of debt into the National Loans Fund of £15m last month, compared with a net repayment of £65m in June last year.

For April-June net lending was £352m less than in the same period last year.

For the financial year, the nationalised industries borrowed more, this was more than offset by a substantial reduction in borrowing by local authorities and a repayment from the National Enterprise Board.

Company failures continue to fall

BY ANDREW TAYLOR

THE INCIDENCE of bad debts and company failures is continuing to decline, according to the latest survey compiled by Trade Indemnity, which insures credit arrangements for industry and commerce.

In the first half of this year the number of failures recorded by Trade Indemnity fell by 234 per cent to 778 compared with 1,017 in the same period a year ago.

In the second quarter, the number of failures was almost 50 per cent down at 340.

The level of company failures reached a peak in 1976, but Trade Indemnity said that the latest decline marked a real improvement—unlike the 16 per cent decline last year, which largely reflected a stiffening of regulations making it more difficult and costly to be declared bankrupt.

In the most recent quarter, the sharpest reduction in the number of failures occurred in retail and wholesale distribution, where 78 failures were notified, compared with 123 in the previous quarter and 137 failures at the same stage last year.

Shareholders in Valor offered gas fire perk

BY ANDREW TAYLOR

VALOR yesterday became the latest company to offer its shareholders perks as a method of share-topping-up dividend payments, holders of its shares are not subject to tax on a 33 1/3 per cent discount on one including European Ferries, Penton of its range of domestic heaters, tos, Henderson Kenton, Grand Shareholders can claim the Metropolitan and Sketley.

The schemes are seen as one method of providing extra benefits to shareholders while dividend increases have been subject to restraint.

Move to help married women over pension

BY ERIC SHORT

A CAMPAIGN was launched yesterday to abolish discrimination against married women over pension. The aim is to have which is causing concern and removed the normal household duties test which a married woman has to undergo to receive the benefit.

The non-contributory invalidity pension is a benefit paid to disabled people of working age who do not qualify for the contributory invalidity pension.

It has been paid to men and launched by several organisations including the Child Poverty Action Group and the National Council for Civil Liberties.

Second Class Disabled, by Irene Leach and Ruth Lister, are available from Equal Rights for single women have to show. Netherhall Gardens, London, employment, Married women NW3; 80p.

Seagram drops two brands of whisky

BY KENNETH GOODING

SEAGRAM, the world's biggest drinks business, is adding to the confusion in the UK Scotch whisky market by withdrawing two brands—100 Pipers and Passport—and introducing a new one.

The new brand—the Original Hundred Pipers—will be put above best-selling Scotch such as Bell's Haig and Teacher's in price.

Mr. Stuart Kershaw, managing director of Seagram UK, said the aim is to establish it "as a quality product at the top end of the market and enable the trade to make a reasonable profit."

The timing of Seagram's move has been influenced by the withdrawal of Johnnie Walker Red Label from the UK market, where it accounted for 15 per cent of Scotch sales, by Distillers Company after its dispute with the European Commission.

Other Distillers' brands, Vat 69, Black and White and Dewar's, were substantially increased in price and this will affect their competitiveness.

New brands have been introduced by Distillers and much more marketing effort put behind other Scotch brands in the past few months. As a result Scotch whisky drinkers in the UK are having to think once again about brand preference.

Against this background Seagram has chosen to drop Passport, a brand which never recovered from its initial "cut-price" image, and 100 Pipers which between them had annual sales approaching 200,000 cases (24m bottles).

It is also quitting the "standard" Scotch business completely and does not intend to introduce at a later date a brand to compete in this part of the market.

Instead, the new Hundred Pipers will compete with Famous Grouse, the Highland Distillers brand, which probably has been the fastest-growing in the last two years in spite of its relatively high retail price.

His group at Aberdeen had been commissioned by the Social Science Research Council to make a study of the Windscale Inquiry and say whether it was a suitable form of inquiry for other prospective nuclear issues, such as the fast-breeder reactor inquiry.

He concluded that no institution would be able for the problems of anti-nuclear protests, because these were founded not

only on fears and worries about jobs or hazards, but also on different views of what constituted a desirable future.

The procedure he recommended, which he called the decision advice procedure, would have to be 1. "appraisal of the fullest possible information relating to the investment in question" and 2. "appraisal of different values underlying the arguments being presented."

Moreover, it would have to openly consider, clearly and debate those values.

What the Windscale Inquiry, although alternative values were discussed at length, it could not be pretended that discussion of value systems "permeated through to the Inspector's report."

Prof. Pearce's proposal met with criticism from the meeting which has been critical of present levels of government involvement in the industry.

The U.S. Government, in particular, was singled out for criticism on this count.

Mr. Peter Jelinek-Fink, the chairman of Uranco, the Anglo-Dutch-German uranium enrichment consortium, addressed himself to the U.S. Nuclear Regulatory Commission, which puts stringent restrictions on the reprocessing of uranium of U.S. origin.

These remarks referred to the tangle of court cases, primarily in the U.S. but extending last year to the UK, which sought to establish whether an alleged international uranium cartel was in fact a "Kafkaesque" world of suspicious and innuendoes.

Dr. Heinrich Mandel, chairman of the Uranium Institute and a director of RWE, the German electrical utility, said an excess of governmental inquiry and litigation could do nothing but harm to the industry.

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Proposal for independent body to investigate nuclear plans

BY PAUL CHESSERIGHT AND DAVID FISHLOCK

A PROCEDURE for investigating nuclear projects by an independent committee instead of the public inquiry conducted by one inspector was put to nuclear businessmen at a meeting of the Uranium Institute, "think-tank" of the uranium industry, at its annual meeting in London yesterday.

Professor David Pearce, of the University of Aberdeen, claimed that procedures such as the Windscale Inquiry last summer, designed to resolve a conflict between pro-nuclear and anti-nuclear factions, would always fail in their purpose.

Instead, a decision should be taken on the best information available, not only of the technical and epidemiological factors involved, but also of how people saw risks in relation to benefits.

In Britain, for all its institutions, the importance of people's valuation of risks versus benefits had not been understood, said Prof. Pearce.

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Benn backs coal in conflict between public enterprises

BY JOHN LLOYD

ATTEMPTS BY Mr. Anthony Wedgwood Benn to persuade the Central Electricity Generating Board to increase its coal burn is a public demonstration of the clear conflict of interest between two great public enterprises: the electricity boards and the National Coal Board.

In stark terms, this conflict can be summarised by saying that as the Coal Board's Plan for Coal assumes a steady growth in the coal burn while the generating board's plans for coal are that it will become less important.

Mr. Benn's task is to try to make them meet but he does not approach it from the position of a neutral mediator. He is firmly on the side of coal, as his decision to bring forward the construction of Drax B coal-fired power station demonstrates.

This position is not the product of mere electoral opportunism, the need to buy miners' votes. If the Government is to be consistent in its support for the coal industry then it must find markets for coal which is being produced in embarrass-

ing abundance. In short, the problem is one of coal glut.

The 1974 Plan for Coal, agreed between the Government, unions and the Coal Board, assumed an injection of cash into the industry which is now approaching £400m. Because of the lengthening lead times for opening new mines—or even extending old ones—most of that investment will not pay off until the 1980s.

In the interim, the Board was faced with the unhappy spectacle of investing in what it never had before while, at the same time, productivity and deep-mined production continued to decline. So, last year the productivity bonus scheme was introduced, after a battle. It appears to be working.

In April, only a few months after the first areas had begun working with the scheme, Sir Derek Ezra said that it had contributed 1.5m extra tonnes to the deep-mined total over the 12 months ending in March of 1978—104.4m tonnes—although that total was still down on the previous year's by 2.2m tonnes.

However, far from being the answer, now it seems to be part of the problem.

The main worry of the coal Board is not the product but the market. Recession in the steel industry has meant that its second largest customer takes more than 3m tons less coking coal than it did two years ago. General industrial users still are moving out of coal. The domestic market has grown only slightly.

It seemed possible last month that the European Community, which has come up with much of the finance the coal Board has used in the past three years—again would lead a hand.

A plan had been prepared in which about £200m of EEC funds would be used over the next three years to subsidise the sale of power stations (steam) coal in the EEC countries.

The coal Board expected to sell about 5m tons in that market, 4m tons up on present exports. But the Energy Ministers could not agree and the plan is now shelved.

Everything that depends on the coal Board's largest customer—the electricity boards. Earlier this year all seemed well. An unwritten agreement between the

Crown Agents tribunal delayed

FINANCIAL TIMES REPORTER

THE CROWN AGENTS tribunal, under the chairmanship of Mr. Justice Croom-Johnson, is to begin its public hearings on September 12, a week later than was originally expected. It was announced at the tribunal's second preliminary meeting in London yesterday.

The tribunal is investigating "to what extent there were lapses from accepted standards of commercial or professional conduct or of public administration" in connection with the Agents' £236m losses on secondary banking and property in 1967-74.

Its two other members are Lord Allen of Abbeydale, a former senior civil servant, and Sir William Slimmings, a leading City accountant.

The tribunal yesterday granted applications to be legally represented by the following: the Crown Agents, Sir Claude Hayes, Mr. A. E. Challis, Mr. N. Davidson, Messrs. Davis, Arnold and Cooper, Mr. D. Marcus, the Ministry of Overseas Development, the Treasury, the Exchequer and Audit Department and the Bank of England.

In some cases, representation only in respect of certain matters was granted. Reasoning the legal contribution £240,000 with again, a minute percentage bought in.

Top price was the £150,000, plus the 10 per cent buyer's premium, paid by the Japanese dealer Matsuo for an early Ming blue and white dish of the 14th-century with an otherwise unrecorded pattern.

HOME NEWS

ICI investment plans 'not justified'

BY KEVIN DONE, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries' investment plans would have to be kept under close review. Predictions about growth and importance of each product would be examined.

The company's review of investment plans should be completed next month.

One result of lower growth was that a greater proportion of ICI investment would go towards replacing existing plants and less towards expansion.

But ICI's most immediate problem was the continuing dispute at its Wilton site on Teesside.

The chronic shortage of trained artificers is delaying the commissioning of a new 220m ethylene oxide derivatives plant, which is ready to start production.

The plant, which will produce chemicals for use in detergents and brake fluids, is crucial to the petrochemicals division's strategy, says the company.

ICI has already had to shut down one of its ethylene plants

at Wilton and is shipping in ethylene from sources in the UK and the Continent.

The company has had only one recent meeting with senior shop stewards from the two unions involved in the dispute, the Amalgamated Union of Engineering Workers and the Electrical, Electronic, Telecommunications and Plumbing Union.

No progress was made and no further meetings have been arranged.

Meanwhile, ICI has stopped all recruitment of other weekly staff, in spite of its 200 existing vacancies, to try to avoid laying off staff at least until the end of the holiday period in September.

Part of a plastics plant, manufacturing low density polyethylene, has already been shut down. The next plant earmarked for closure, because of the shortage of trained personnel to run it, is the propylene glycol plant.

Exporters 'could' £20m order for Westland helicopters welcome lower exchange rate

BY ANTHONY HARRIS

BRITISH exporters would probably welcome a somewhat lower effective exchange rate, and would invest more if their overseas earnings improved.

These are some of the main findings of a survey made for the Confederation of British Industry, in which 25 concerns from a wide range of industries were interviewed at length by a team of professional economists.

Any sharp appreciation—certainly any rise above the levels ruling at the start of this year—would be highly discouraging, and would be regarded by some firms as a disaster. Official intervention to damp down short-term fluctuations is generally regarded as helpful.

The survey showed that British companies tended to take a jaundiced view of the effect of exchange rate changes in general. Thus, while it was widely appreciated that a fall in the effective rate would tend to increase the rate of inflation—and one firm thought that the damage done in this way would be greater than any gain in competitiveness—few had noticed any helpful effects on inflation when sterling was strong.

It was also felt that any markets lost when sterling was over-valued would be difficult or impossible to win back even if the currency reverted to its original level.

Most companies seemed to assume that market forces would ensure that the exchange rate would reflect changes in competitiveness, at any rate in the long run, and their views on desirable or undesirable changes implied

a change in competitiveness.

The academic team, chaired by Mr. Peter Oppenheimer of Christ Church, Oxford, pointed out that there was little evidence from the experience of floating to support this view of how the market works.

They argue that to meet the needs of industry the Government must have a policy to maintain competitiveness. This might imply relaxation of exchange controls to offset the impact of UK oil production on the balance of payments—especially the recent restrictions on the use of sterling to finance third-country trade.

The team found that companies were on the whole reluctant to take a long-term view of competitive conditions, and base their plans on such a view; any benefit to investment would be a direct result of the improved flow of profits to finance investment.

Companies would probably invest in plant which the team thought urgently necessary to make up for lagging investment in recent years—and few would contemplate such steps as increased investment in overseas marketing.

The report comments that UK companies have become much more sophisticated in their handling of foreign currency markets, making wide use of forward cover and foreign-currency invoicing.

As might be expected, those with the largest element of sterling cost and the narrowest profit margins were most concerned about the movement in the rate, and about a third of the companies interviewed were more or less indifferent to the level of the rate.

Move to develop derelict docks

BY PAUL TAYLOR, INDUSTRIAL STAFF

DERELICT SITES in the London dock areas are to be examined by the Greater London Council to see if they are suitable for a large shopping centre, sports complex, exhibition centre and fun fair.

The sites have been selected by the Docklands Joint Committee, and will be discussed today by the council's Planning and Communications Policy Committee.

The GLC hopes to encourage private investment in the East End.

Miss Sheldagh Roberts, chairman of the committee, said: "We are giving a clear indication of the path we think development should follow. Now it is up to the private sector to take up the challenge."

The Docklands Joint Committee has suggested three possible sites for a shopping centre or hypermarket of about 200,000 sq ft on a site of 20 acres.

The sites are North Quay, West India Dock, near East Beekton district centre; and beside Tunnel Approach, at the northern end of the Blackwall Tunnel.

Several sites, including the disused Surrey Docks, are suggested for a sports complex, and the Docklands Committee suggests that a site with river frontage might be desirable for a 500,000 sq ft international exhibition centre and a 30-acre "Twinkl Gardens" style fun fair.

The committee has sought council approval for a 50-acre golf course on Surrey Docks, the Isle of Dogs or Victoria Docks.

● The Port of London Authority gave the backing of its customers yesterday on the need for a quick Government decision to remove the uncertainty over the future of the near-bankrupt Outer Docks.

The London General Shipowners' Society, representing shipowners using the Port of London, said it supports a solution to the financial crisis facing the authority based upon the need for future viability.

However, the society gave a warning that "uncertainty is a very damaging feature and that unless action is taken promptly" some shipowners may desert the port before the final decision is made.

The PLA has stressed to the Government the importance of reaching a final decision over the future of the docks, and in particular the suggest closure of the Royals, as soon as possible. It wants the Government to make a commitment on the docks future by the end of this month.

Mr. William Rodgers, Transport Secretary, is at present studying the PLA's proposals in junction with union suggestions.

Two IBM teams in final of management contest

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

TWO TEAMS FROM IBM have won through to the four-team final of the 1978 UK national management championship, in London on July 25.

The championship is sponsored by the Financial Times, ICL, and the Institute of Chartered Accountants in England and Wales, in association with the Confederation of British Industry and the Institute of Directors.

The other finalists competing for the £1,000 first prize are Shell UK and Thornton Baker, chartered accountants of High Wycombe.

Finalists in a "plate" competition—held for teams knocked out in the first round of the championship, which started in January with 928 entrants—are Devon, GKN Group Services, and Unicorn Industries. The £500 prize will be decided in London on Friday.

£20m order for Westland helicopters

THE MINISTRY OF Defence has placed an order with Westland Helicopters, Yeovil, for 15 Commando helicopters, a variant of the big Sea King helicopter which is already in service in the UK for anti-submarine warfare duties. The order is believed to be worth more than £20m including spares.

The Commando order will give a major boost to Westland, which has been having difficulties in negotiating new pay rates for a substantial number of workers at its Yeovil factory.

Last month the group announced that it would not pay an interim dividend—and warned that full year profits might be disappointing—because of its failure to negotiate a new wage formula to bring an end to the piecework system of payments at the helicopter plant.

Dataquest director dismissed

MR. ROGER COGHILL, managing director of Dataquest—financial survey publishers and part of the Jordan group of company registration agents—has been dismissed. He is considering legal action against the company.

He said yesterday: "My contract was terminated without warning or consultation last Friday and since the matter is in the hands of my solicitors I prefer not to comment."

Jordan confirmed this but refused to comment on Mr. Coghill's remarks that he had become redundant because the group had decided to curtail severely its industrial surveys from 60 last year to about 15 this year.

Aviation changes

IMPROVEMENTS IN customs arrangements for "general aviation" aircraft—light aircraft used by businessmen—are recommended in a new joint report prepared by the Customs and Excise in conjunction with the business and light aviation community.

Among the recommendations are radical changes in documentary requirements to make it easier for business aircraft to fly internationally to and from the UK, with improved arrangements for those using aerodromes specially approved by Customs for business flights.

Other proposals include support for the designation as "Customs airports" of Humberston (Kirmington) and Staverton (Gloucester-Cheltenham) airfields, and some relaxations in the "air notepad" requirements for those flying to and from the UK.

Obtaining customs clearances for certain flights.

Scots unemployed

JOBS CREATION and other Government employment measures could have accounted for as much as half of the drop in unemployment in Scotland since the beginning of the year.

The Scottish Office's quarterly economic bulletin, published yesterday, estimates that over the first four months of the year the coverage of measures such as Temporary Employment Subsidies, the Job Creation and Work Experience programmes and the small companies' subsidy was increased from 32,000 people to 80,000.

Scottish Economic Bulletin No. 15, S.O. 21.75.

Effluent exports

AGAINST THE background of a declining home market, British manufacturers of water and effluent treatment plant increased their exports last year by 38 per cent to a record value of £55m.

Export work accounts for 53 per cent of the order books of members of the British Water and Effluent Treatment Plant Association.

More car users

THE USE of cars for business in central London has increased substantially since 1966, the Greater London Council said in a report published yesterday.

There was also growing evidence that more motorists were feeding meters illegally.

The report is a preliminary research document to a Green Paper to be published by the council in the autumn.

Profit 'essential on feeder jet'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT'S approval of full-scale development of the £250m, four-engine short-haul 146 feeder-jet aircraft is intended to be a commercial decision.

While there is no doubt that it will boost flagging morale on the civil side of the aerospace industry, where work programmes have been running down fast and so remove some immediate labour problems, the Government has told British Aerospace, the nationalised manufacturer, bluntly that it has got to make a profit on the venture.

It should be able to do so, provided British Aerospace achieves three things.

First, it must ensure that the design meets precisely the emerging market demand for a small aircraft of this type.

Second, development and production must be kept to schedule, with deliveries in 1981-82—there can be no delays if the market tide is to be adequately met.

Third, the aircraft must be delivered on specification and at a price the market can afford.

At the moment, the sales likely to be in the Third World developing countries, where cash for expensive aircraft is limited, the 146 must be kept rugged, reliable and cheap.

The decision to revive the programme is a triumph for Lord Beswick, chairman of British Aerospace, and his team, who have consistently argued that, given the chance, they can make a success of the 146. Now they have got what they want.

The venture was originally begun in 1973 jointly by Hawker Siddeley Aviation and the Government, when it appeared that a big market was emerging for a quiet, short-range "bus-stop" type of jet capable of lifting small loads from grass airstrips as well as big airports.

Toyota challenges hatchback sector

BY TERRY DODSWORTH

A NEW contender in the small hatchback sector of the car market was launched in Britain yesterday by Toyota, the second largest of the Japanese importers in the UK.

The new car, the Starlet, is just less than 12ft long, falling midway in size between cars such as the Volkswagen Polo and Golf.

Although styled on similar lines to the modern range of European cars in this class, it utilises the traditional front-engine, rear-wheel drive configuration which most European producers have abandoned in favour of front-wheel drive.

Greater investment in tourism sought

BY CHRISTOPHER DUNN

A CALL for more investment in English tourism was made yesterday in London by Sir Mark Henig, chairman of the English Tourist Board.

Sir Mark said that, without more investment, the industry might not be able to cope with the projected increase in demand during the eighties.

England's tourist industry needs the support not only of central and local government, but also of investment from the private sector.

"There is a need for industrialists, as well as for the guardians of pension and insurance funds to have confidence in tourism as an investment opportunity."

Avon plans to double Northampton output

BY PAUL TAYLOR

AVON, the direct-selling U.S. cosmetics multinational, is for completion in mid-1980.

A second-phase development involving a further investment of about £18m in new warehousing facilities on the same site would follow and was due for completion in the late 1980s.

Although the announcement of the expansion plans was widely expected, the level of investment was a surprise and is seen as a vote of confidence in the Northampton factory and in the UK end of Avon's international sales and production.

Wave-testing tank holds key to future energy source

BY DAVID FISHLICK, SCIENCE EDITOR

AN INGENUOUS new way of reproducing hostile North Sea conditions in a laboratory was demonstrated yesterday by Mr. Alex Eadie, Energy Under-Secretary in Scotland.

Mr. Eadie was opening the £100,000 wave-testing tank, built for the University of Edinburgh and paid for by the Department of Energy.

He reaffirmed the Government's commitment to investigate wave power as a future energy source and said that the Government would double the rate at which it was financing this line of energy research.

He was shown how 350 tonnes of water in a tank 90 feet long can be churned into a simulation of almost any sea condition—including freak waves—under the surveillance of a micro-processor.

This is designed to test small-scale models of one of the most promising methods of harnessing wave power, the "nodding duck" concept of Mr. Stephen

Salter of the Department of Mechanical Engineering at Edinburgh University.

Last week, the Central Electricity Generating Board said that wave power was showing enough promise as a potential source of electricity to warrant bringing its two engineering divisions—generation and transmission—into an area until now the preserve of its research division.

NEWS ANALYSIS AEROSPACE

and calling the aircraft the 146—is convinced the market is there.

After a survey of 36 airlines, together with a number of governments, air forces and interested agencies worldwide, the salesmen concluded that up to 1990 there would be a market for about 2,250 aircraft capable of meeting "low-density" demand. That is, routes with only a small volume of traffic moving at any one moment, but requiring regular short-distance flights to provide genuine "bus-stop" type air services between communities that have never had jet or any air services before, or to feed traffic into the bigger airports for onward travel.

Of this market, the British Aerospace salesmen concluded, about 1,200 aircraft would be needed in the 70- to 100-seat categories, and it is at these specifically that the 146 jet is now being aimed.

The aircraft is to be built in the new Series 100 light tanks or trucks. Such aircraft could also be used for troop transport and as an ambulance. Sales of up to 100 of the military version are anticipated.

Harold Perry

A PASSAGE in our article Leasing and HP Options published on Friday alluded to the recent announcement that the Harold Perry organisation on some aspects of its vehicle leasing operations.

It has been pointed out that the impression might have been given by this reference in the context that the Harold Perry organisation was in thought of as one of the "fringe elements" of the industry referred to previously in that passage.

This would be a quite mistaken impression. Harold Perry is, of course, a long-established and reputable public company. So far as Harold Perry is concerned, there is no element of tax avoidance in any of its vehicle leasing schemes.

Husbands accused over pay

HUSBANDS WERE accused yesterday of spending their pay rises in betting shops and pubs instead of helping their wives cope with increasing food bills.

The result was that housewives were spending less on food for the family, said Mr. Derrick Hornby, president of the Food Manufacturers' Federation.

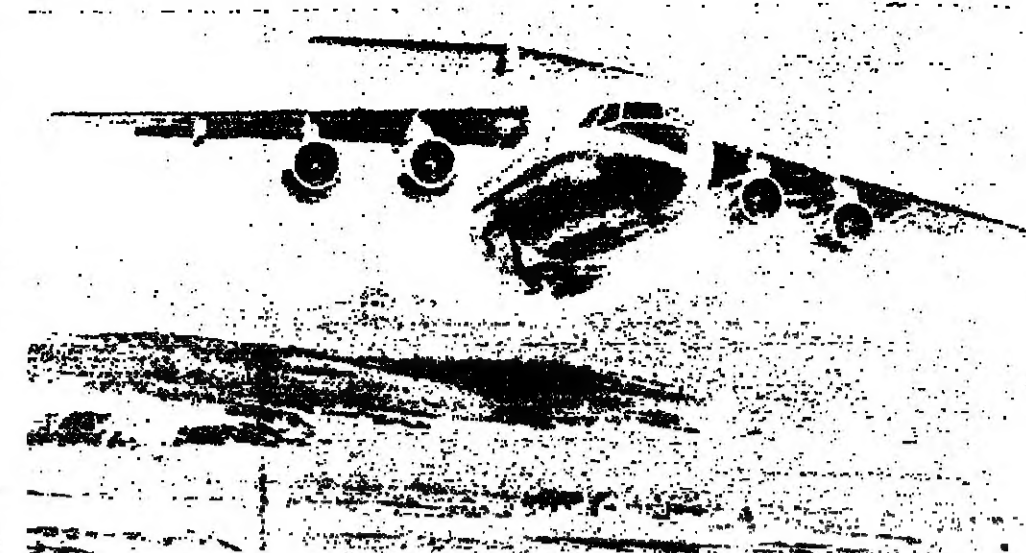
Avon plans to double Northampton output

"One of our market research surveys showed that 30 per cent of housewives thought their husbands had not had a pay rise in the past year."

"This is, of course not true. Husbands are not coughing up. Wives are not getting a fair share of disposable income. The money is more likely to be going to the betting shop or pub."

Wave-testing tank holds key to future energy source

Mr. Hornby, manufacturing director of the international division of Spillers, speaking after a federation seminar, added: "One of the reasons in this country why we can't pay people by cheque is because the husband does not want his wife to know how much he gets."



An impression of the short-haul four-engine 146 feeder-jet.

chronically short because of the rapid rundown of activity on Trident jets and Concorde. Hatfield will control the programme, including final assembly and flight testing, and some parts will also be built at Brough in Yorkshire, and at other British Aerospace factories.

Additionally, more than 4,000 workers in ancillary industries, such as electronics and hydraulics, will be involved in making equipment and parts. Wherever possible, British Aerospace will buy in ready-made parts, to keep the aircraft cheap and fast in development.

But up to about 35 per cent foreign participation will be encouraged. Saab-Scania of Sweden and Aeritalia of Italy may build some parts. As a result, the four ALP-302H engines, because Rolls-Royce does not have an engine in the appropriate thrust category of about 6,700 lbs, and the US company, may also build the wings for the jet.

LancerBoss seeks expansion after 39% sales increase

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

LANCERBOSS, the privately-owned forklift trucks group which suffered severe financial problems in 1974, last year "achieved real growth" for the first time since that period and is now seeking expansion.

Sales in the year to the end of March rose 39 per cent, on previous year, to £31m, while taxable profit jumped 74.8 per cent, to £3.94m.

Shareholders' funds increased by £3.4m to £2.3m. With interest-bearing borrowings at £2m, the group's debt to equity gearing fell to 0.34 to 1, a most satisfactory position from which we can contemplate expansion with stability," according to Mr. Neville Bowman-Shaw, founder-chairman.

West Midlands exports up slightly

Financial Times Reporter

A "SLIGHT improvement" in home and export business was again reported by members of the West Midlands Regional Council of the Confederation of British Industry.

Mr. Eric Swainson, regional chairman, gave a warning, however, against reading too much into the report. "There is no strong feeling of confidence that this pick-up will continue," he said, "especially with an election a definite possibility in the autumn."

HOME CONTRACTS £2m modules for oil rigs

OMISCO, Aberdeen, has a £2m contract for work on the Forth field installing accommodation modules on two production platforms.

Worth over £12m, a contract has been awarded to WALTER LAWRENCE for the construction of a commissary at RAF Station, Benwaters, Suffolk. Placed by the Property Services Agency on behalf of the United States Air Force, work has started and completion is due in August 1979.

Wave-testing tank holds key to future energy source

A £700,000 contract for the installation of environmental control equipment and mechanical services is being undertaken by ASHWELL SCOTT at the new Leman Street, E1, premises of Centre-File, the National Westminster Bank's computer bureau subsidiary.

GEC-GENERAL SIGNAL has a contract from Redpath Dorman Long (Contractors) for railway signalling interlocking at the British Steel Corporation, Teesside. The signalling is required at the Lakenby Entrance to control locomotives transporting molten metal between the blast furnaces and the steelworks.

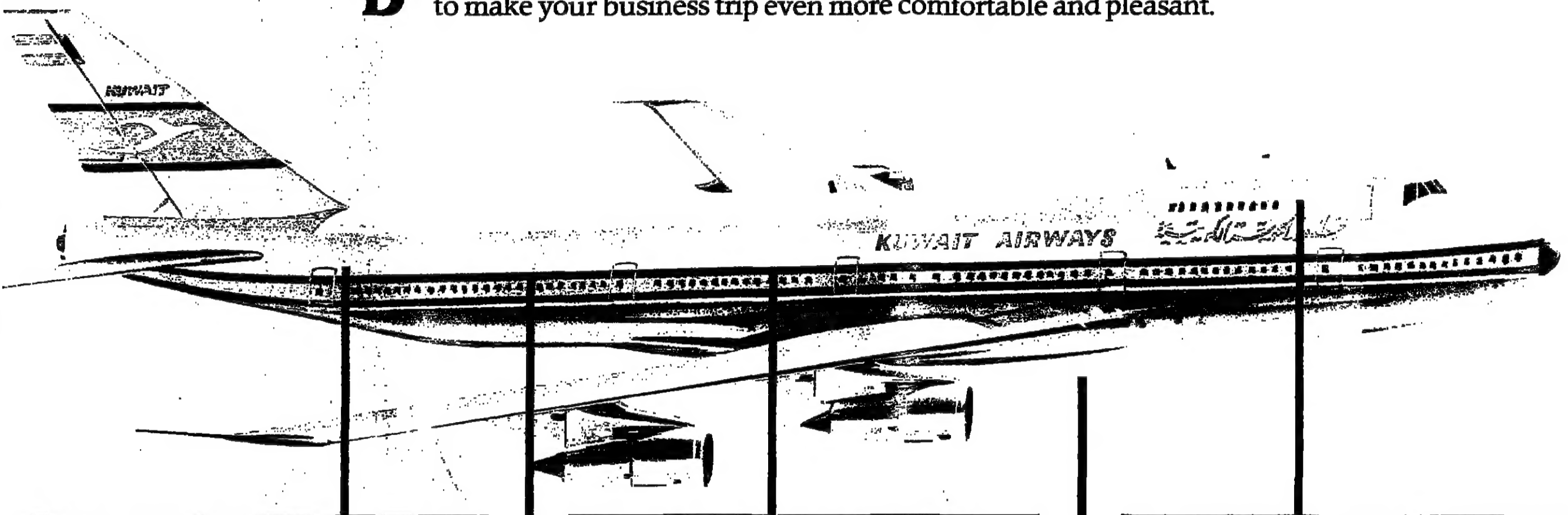
Work starts shortly on the third and final phase of a housing development at Old Hall, Bentley, for Walsall Metropolitan Borough Council. Worth over £2m this is a further contract at Bentley awarded to C. BRYANT AND SON, Solihull, and is for 169 centrally-heated houses of traditional design and construction. Site work will include treatment of disused mine workings.

Handwritten text in Arabic script: "مكتبة جامعة القاهرة"

Kuwait Airways launch the businessman's Jumbo

The first office penthouse in the sky and the first Jumbo direct from London to Cairo-Kuwait-Bombay.

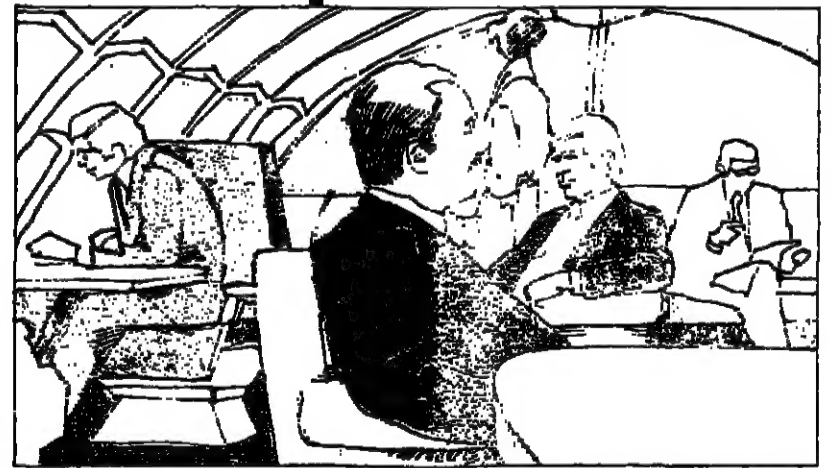
Built with the latest technical features, our Jumbos have been designed to make your business trip even more comfortable and pleasant.



THE OASIS: We're opening our unique tourist lounge refreshment bar where you will be able to stretch your legs and meet other important businessmen before you arrive in Kuwait at your destination.



THE BUSINESSMAN'S STUDY: In the Economy Section, our new Jumbo jets provide a quiet study area, so you don't have to lose time while in transit, but rather sink into a comfortable seat, have refreshment and do your work. Remember, there will not be any telephone interruptions.



THE PENTHOUSE SUITE: First Class passengers will enter a world flavoured with the East. The richly-carpeted and cushioned observation lounge in the penthouse will make the hours pass unnoticed.



THE BUSINESSMAN'S ENTERTAINMENT: We know you won't want to think business all through your flight. That's why we're the only airline with entertainment on every flight. We show films or you can tune into the latest in stereo sound.



TIME-HONOURED HOSPITALITY: As our planes get bigger so does our service, for us hospitality is a serious matter, and something we're proud of. That's why we offer you a choice of three menus in First Class and two in Economy Class.



THE BUSINESSMAN'S CLUB OASIS: We will be inaugurating our exclusive Club for those who like extra information and enjoyment on their business trip. First Class passengers become members automatically. And this service will be indispensable when you arrive in Kuwait, to help and inform you of existing services.

THE BUSINESSMAN'S SCHEDULE: Join us on our Jumbos from London Heathrow direct to Cairo-Kuwait and Bombay three times a week, or from London to Rome-Kuwait once a week. Our inauguration Jumbo service starts this autumn. Don't forget our 707 flights leave London for Kuwait every day with direct flights from Monday to Friday.

KUWAIT AIRWAYS

Does more to make your business trip a Jumbo success

NOTICE OF REDEMPTION To the Holders of NEW ZEALAND

9½% Bonds due 1982
(due August 15, 1982)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected for redemption on August 15, 1978 at 100% of the principal amount thereof through operation of the Sinking Fund, \$1,600,000 principal amount of said Bonds bearing the following distinctive numbers:

24-28	2628	5388	5195	10618	13253	13445	19530	21107	22975	25188	27022	30038	32702	35228	37919
31	2894	5419	8167	10701	13320	13507	19571	21148	22988	25200	27040	30050	32714	35240	37921
38	3170	5421	8169	10703	13322	13509	19573	21150	23000	25202	27042	30052	32716	35242	37923
45	3446	5423	8171	10705	13324	13511	19575	21152	23002	25204	27044	30054	32718	35244	37925
52	3722	5425	8173	10707	13326	13513	19577	21154	23004	25206	27046	30056	32720	35246	37927
59	4000	5427	8175	10709	13328	13515	19579	21156	23006	25208	27048	30058	32722	35248	37929
66	4276	5429	8177	10711	13330	13517	19581	21158	23008	25210	27050	30060	32724	35250	37931
73	4552	5431	8179	10713	13332	13519	19583	21160	23010	25212	27052	30062	32726	35252	37933
80	4828	5433	8181	10715	13334	13521	19585	21162	23012	25214	27054	30064	32728	35254	37935
87	5104	5435	8183	10717	13336	13523	19587	21164	23014	25216	27056	30066	32730	35256	37937
94	5380	5437	8185	10719	13338	13525	19589	21166	23016	25218	27058	30068	32732	35258	37939
101	5656	5439	8187	10721	13340	13527	19591	21168	23018	25220	27060	30070	32734	35260	37941
108	5932	5441	8189	10723	13342	13529	19593	21170	23020	25222	27062	30072	32736	35262	37943
115	6208	5443	8191	10725	13344	13531	19595	21172	23022	25224	27064	30074	32738	35264	37945
122	6484	5445	8193	10727	13346	13533	19597	21174	23024	25226	27066	30076	32740	35266	37947
129	6760	5447	8195	10729	13348	13535	19599	21176	23026	25228	27068	30078	32742	35268	37949
136	7036	5449	8197	10731	13350	13537	19601	21178	23028	25230	27070	30080	32744	35270	37951
143	7312	5451	8199	10733	13352	13539	19603	21180	23030	25232	27072	30082	32746	35272	37953
150	7588	5453	8201	10735	13354	13541	19605	21182	23032	25234	27074	30084	32748	35274	37955
157	7864	5455	8203	10737	13356	13543	19607	21184	23034	25236	27076	30086	32750	35276	37957
164	8140	5457	8205	10739	13358	13545	19609	21186	23036	25238	27078	30088	32752	35278	37959
171	8416	5459	8207	10741	13360	13547	19611	21188	23038	25240	27080	30090	32754	35280	37961
178	8692	5461	8209	10743	13362	13549	19613	21190	23040	25242	27082	30092	32756	35282	37963
185	8968	5463	8211	10745	13364	13551	19615	21192	23042	25244	27084	30094	32758	35284	37965
192	9244	5465	8213	10747	13366	13553	19617	21194	23044	25246	27086	30096	32760	35286	37967
199	9520	5467	8215	10749	13368	13555	19619	21196	23046	25248	27088	30098	32762	35288	37969
206	9796	5469	8217	10751	13370	13557	19621	21198	23048	25250	27090	30100	32764	35290	37971
213	10072	5471	8219	10753	13372	13559	19623	21200	23050	25252	27092	30102	32766	35292	37973
220	10348	5473	8221	10755	13374	13561	19625	21202	23052	25254	27094	30104	32768	35294	37975
227	10624	5475	8223	10757	13376	13563	19627	21204	23054	25256	27096	30106	32770	35296	37977
234	10900	5477	8225	10759	13378	13565	19629	21206	23056	25258	27098	30108	32772	35298	37979
241	11176	5479	8227	10761	13380	13567	19631	21208	23058	25260	27100	30110	32774	35300	37981
248	11452	5481	8229	10763	13382	13569	19633	21210	23060	25262	27102	30112	32776	35302	37983
255	11728	5483	8231	10765	13384	13571	19635	21212	23062	25264	27104	30114	32778	35304	37985
262	12004	5485	8233	10767	13386	13573	19637	21214	23064	25266	27106	30116	32780	35306	37987
269	12280	5487	8235	10769	13388	13575	19639	21216	23066	25268	27108	30118	32782	35308	37989
276	12556	5489	8237	10771	13390	13577	19641	21218	23068	25270	27110	30120	32784	35310	37991
283	12832	5491	8239	10773	13392	13579	19643	21220	23070	25272	27112	30122	32786	35312	37993
290	13108	5493	8241	10775	13394	13581	19645	21222	23072	25274	27114	30124	32788	35314	37995
297	13384	5495	8243	10777	13396	13583	19647	21224	23074	25276	27116	30126	32790	35316	37997
304	13660	5497	8245	10779	13398	13585	19649	21226	23076	25278	27118	30128	32792	35318	37999
311	13936	5499	8247	10781	13400	13587	19651	21228	23078	25280	27120	30130	32794	35320	38001
318	14212	5501	8249	10783	13402	13589	19653	21230	23080	25282	27122	30132	32796	35322	38003
325	14488	5503	8251	10785	13404	13591	19655	21232	23082	25284	27124	30134	32798	35324	38005
332	14764	5505	8253	10787	13406	13593	19657	21234	23084	25286	27126	30136	32800	35326	38007
339	15040	5507	8255	10789	13408	13595	19659	21236	23086	25288	27128	30138	32802	35328	38009
346	15316	5509	8257	10791	13410	13597	19661	21238	23088	25290	27130	30140	32804	35330	38011
353	15592	5511	8259	10793	13412	13599	19663	21240	23090	25292	27132	30142	32806	35332	38013
360	15868	5513	8261	10795	13414	13601	19665	21242	23092	25294	27134	30144	32808	35334	38015
367	16144	5515	8263	10797	13416	13603	19667	21244	23094	25296	27136	30146	32810	35336	38017
374	16420	5517	8265	10799	13418	13605	19669	21246	23096	25298	27138	30148	32812	35338	38019
381	16696	5519	8267	10801	13420	13607	19671	21248	23098	25300	27140	30150	32814	35340	38021
388	16972	5521	8269	10803	13422	13609	19673	21250	23100	25302	27142	30152	32816	35342	38023
395	17248	5523	8271	10805	13424	13611	19675	21252	23102	25304	27144	30154	32818	35344	38025
402	17524	5525	8273	10807	13426	13613	19677	21254	23104	25306	27146	30156	32820	35346	38027
409	17800	5527	8275	10809	13428	13615	19679	21256	23106	25308	27148	30158	32822	35348	38029
416	18076	5529	8277	10811	13430	13617	19681	21258	23108	25310	27150	30160	32824	35350	38031
423	18352	5531	8279	10813	13432	13619	19683	21260	23110	25312	27152	30162	32826	35352	38033
430	18628	5533	8281	10815	13434	13621	19685	21262	23112	25314	27154	30164	32828	35354	38035
437	18904	5535	8283	10817	13436	13623	19687	21264	23114	25316	27156	30166	32830	35356	38037
444	19180	5537	8285	10819	13438	13625	19689	21266	23116	25318	27158	30168	32832	35358	38039
451	19456	5539	8287	10821	13440	13627	19691	21268	23118	25320	27160	30170	32834	35360	38041
458	19732	5541	8289	10823	13442	13629	19693	21270	23120	25322	27162	30172	32836	35362	38043
465	20008	5543	8291	10825	13444	13631	19695	21272	23122	25324	27164	30174	32838	35364	38045
472	20284	5545	8293	10827	13446	13633	19697	21274	23124	25326	27166	30176	32840	35366	38047
479	20560	5547	8295	10829	13448	13635	19699	21276	23126	25328	27168	30178	32842	35368	38049
486	20836	5549	8297	10831	13450	13637	19701	21278	23128	25330	27170	30180	32844	35370	38051
493	21112	5551	8299	10833	13452	13639	19703	21280	23130	25332	27172	30182	32846	35372	38053
500	21388	5553	8301	10835	13454	13641	19705	21282	23132	25334	27174	30184	32848	35374	38055
507	21664	5555	8303	10837	13456	13643	19707	21284	23134	25336	27176	30186	32850	35376	38057
514	21940	5557	8305	10839	13458	13645	19709	21286	23136	25338	27178	30188	32852	35378	38059
521	22216	5559	8307	10841	13460	13647	19711	21288	23138	25340	27180	30190	32854	35380	38061
528	22492	5561	8309	10843	13462	13649	19713	21290	23140	25342	27182	30192	32856	35382	38063
535	22768	5563	8311	10845	13464	13651	19715	21292	23142	25344	27184	30194	32858	35384	38065
542	23044	5565	8313	10847	13466	13653	19717	21294	2314						

PARLIAMENT AND POLITICS

Need for tax law equality agreed

BY IVOR OWEN, PARLIAMENTARY STAFF

WITH THE coming General election clearly in mind, Government and Opposition leaders acknowledged in the Commons tonight the need for more fundamental changes in the tax system to provide equality of treatment for men and women.

The Government's new clause to Finance Bill giving men and women equal rights to receive their own repayments of tax under the PAYE system, instead of being obliged to claim them through their husbands, was given an unopposed second reading.

Mr. Joel Barnett, Chief Secretary to the Treasury, admitted at this change "it is credible that it has not been before" could only be regarded as a first step.

He looked forward to the possibility of a re-examination of the principle of the aggregation of the income of husbands and wives for tax purposes after further consultation with the Equal Opportunities Commission and other bodies.

Mr. Geoffrey Howe, shadow Chancellor, underlined the need for more fundamental changes in the tax system, as described in the provisions in a new clause as mainly "cosmetic".

While carefully refraining from any commitment, he highlighted the disparity in the value of those who stay at home and those who go out to work. It was beginning to look, he said, as if the best solution would be the provision of a basic personal allowance of the same amount, regardless of sex or married status, which would be claimable against the wife's or husband's income.

Then these two personal allowances could be aggregated against the income of the husband and wife or against the single income of the husband in cases where he was the only wage earner.

But Sir Geoffrey stressed that it would be wrong to expect such changes to be made "overnight" and warned that reforms in favour of women which neutralised the tax system would have the effect of making two income families relatively worse off than one income families.

Mr. Barnett said that the Equal Opportunities Commission recognised the major difficulties involved in changing the system of aggregation which had been part of the tax law since 1960.

He pointed out that it was because of the tax system that principle that tax relief in respect of mortgage interest was credited to the husband, even in cases where mortgage repayments were regularly made by the wife.

In such cases, wives could only be directly credited with the tax relief due to them with the agreement of their husbands.

Mr. Barnett hoped that as a result of consultations with the Commission and other bodies, the Government would be able to move forward "as quickly as possible" with further changes in the tax law.

But this new clause would at least remove one major source of complaint by married women that income tax repayments had frequently been made to husbands, who had earlier deserted their wives.

The Chief Secretary expressed surprise that more women had not taken advantage of the opportunity to claim separate assessments for income tax and announced that a leaflet calling attention to this option would be issued towards the end of the year.

He made it clear that the new clause did not apply to cases where wives had professional or business income under Schedule D nor to cases where there was liability to higher rate tax of a total joint income of the couple.

Approval was given to a new clause clarifying the circumstances in which companies are allowed to claim deductions under the Schedule D rules in respect of money spent on the introduction of approved profit-sharing schemes.

The House also accepted an amendment fulfilling Government undertakings at the committee stage by ensuring that controlling companies can extend approved profit-sharing schemes to all or any of their subsidiaries.

National Liberal Club plan examined

By Rupert Cornwell, Lobby Staff

MEMBERS OF the National Liberal Club were expected last night to approve a £400,000 plan to repair and renovate the famous Whitehall Place landmark and save the club from otherwise virtually certain extinction.

The scheme, spearheaded by Mr. Lawrence Robson, husband of Baroness Robson, the Liberal peer, will, it is hoped, put an end to the troubles which have beleaguered the club, culminating two years ago in the spell of management by Mr. George de Chabris, whose behaviour upset many in the party.

Mr. Robson is ready to put up £100,000 if this sum is matched by subscriptions from other members. The trustees have promised a further £300,000, while the more profitable running of the club should cover the remainder.

That the plan is adopted is of vital importance to the party, which, for more than 18 months, has been using the building for office space. But the club has been in the grip of the same problem which has afflicted others in London: diminishing membership, leading to rising subscriptions, which, in turn, reduce membership still further.

It is estimated that up to £180,000 is required for immediate repairs and well over £200,000 for the completion of internal renovation already under way.

Part of the difficulty facing the club resides in the very splendour of its architecture, which has earned it protection orders that do not allow the management to make the changes it might have preferred.

MPs fix gaze firmly on autumn election

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MPs SEEMED to cast aside any doubts about the possibility of an autumn election when Prime Minister's question time was completely taken up yesterday with vote-catching sallies from both sides of the House.

At one stage Mr. Callaghan made a teasing attempt to cure these early symptoms of election fever by observing "As to when we leave office, that will be a long time yet."

But nobody took him seriously and the blatant buck-sticking continued. Amid the welter of accusations and countercharges, a sketchy outline began to emerge of the shape which the campaign might take.

The Tories blamed Labour for record unemployment and tried to undermine Mr. Callaghan's claim that inflation is now under control.

Speeches during the attack, Mr. Margaret Thatcher, the Conservative leader, tried to trap the Prime Minister into admitting that the return of a Labour Government would mean further nationalisation.

With the help of well-timed prompting from his supporters, Mr. Callaghan hit back by alleging that a Tory Government would introduce policies that would lead to even higher unemployment.

He also tried to chill the blood of the voters with suggestions that the Conservatives would introduce charges for operations and other treatment under the National Health Service.

Apparently he was quite happy at the Tory decision to single him out for personal attack. He tried to sling Mr. Heath into action by blaming the increase in food prices on the former Tory Prime Minister's decision to enter the Common Market, but Mr. Heath refused to be drawn.

So Mr. Callaghan turned his attention to Mr. William Whitelaw, the deputy Conservative leader, who launched the Tory campaign against the Prime Minister with a weekend speech in which he described him as "a weak leader at moments of decision and a very petulant personality under pressure."

The Prime Minister recalled that Mr. Denis Healey, Chancellor of the Exchequer, had said that being criticised by Sir Geoffrey Howe, shadow Chancellor, was like being savaged by a dead sheep.

For his part, Mr. Callaghan thought that being mauled by Mr. Whitelaw was more like being "muzzled by a friendly old sheep dog."

During the exchanges, it was noticeable that Labour MPs with highly marginal seats were quick to point out how much the Government had done for voters in their constituencies.

Mrs. Helene Hayman (Welwyn and Hatfield), majority 529, stressed how delighted workers in her constituency were at the employment prospects afforded them by the Government's decision to go ahead with the HS 145 airliner.

Mr. Callaghan readily agreed with these sentiments.

Mrs. Thatcher reminded the Prime Minister that the latest public opinion poll showed that 80 per cent of people did not want any further nationalisation and this included a majority of Labour Party supporters. Why then did he retain the commitment to expensive schemes of further nationalisation of entire industries?

Mr. Callaghan blandly replied that he was not unaware of this feeling and that was why he believed that the National Enterprise Board had such a large part to play. He was glad to see that the Conservative Party had come to its senses and no longer proposed to abolish the NEB.

The Tory leader protested that this did not answer her point about nationalisation. But Mr. Callaghan responded by recalling that the previous Tory Government had found it necessary to nationalise Rolls-Royce. This proved that even the Tories had recognised the reality of the situation.

The Labour Government would continue to do the same and would solve such problems either through the NEB or through public ownership.

Mr. Callaghan also suggested that if a future Conservative administration was faced with a situation like Goan Shipbuilders or Rolls-Royce "they will overcome their prejudice against nationalisation as they did last time."

Borrowing limits for BSC approved

THE IRON and Steel (Amendment) Bill, which increases the borrowing limit of the British Steel Corporation, was given an unopposed second reading in the Lords yesterday.

The Bill increases to £4,750m the statutory limit imposed on the borrowing of the BSC and its wholly-owned subsidiaries.

It also provides that the borrowing limit may be further increased to £5.5bn by order of the Secretary of State with the consent of the Treasury and Parliamentary approval.

For the Government Lord McCloskey said: "We need this Bill to carry out the Government's commitment to retain in Britain a substantial bulk steel-making capacity to underpin our wider industrial strategy."

In the face of intense foreign competition, it was planned that the BSC should concentrate on improving steel quality and productivity.

Schemes involving sums under £2m would play an important part in cost reduction but there would be a need for yet further rationalisation, said Lord McCloskey.

"The Government is agreed that the Corporation should seek to negotiate terms for the early closure of high-cost plants with the TUC steel committee and with the local work force concerned."

Lord McCloskey said it was unacceptable for a nationalised industry to make losses of the steel industry—even if conditions were difficult and international competition intense.

He looked forward to a break-even situation being achieved by the projected date of March 1980.

For the Opposition, Viscount Long said an enormous amount of money had been injected into the steel industry as a whole.

"The fact remains that unless we do this now the whole of industry could possibly collapse because all our industry bases its materials and its workings on the steel industry," he stated.

Bipartisan approach under strain—Davies

FINANCIAL TIMES REPORTER

R. JOHN DAVIES, shadow Foreign Secretary, warned yesterday that the bipartisan approach of the British political parties towards Rhodesia would come to an end unless the Labour Government changes its attitude towards the internal settlement that country.

Mr. Davies also suggested that the traditional bipartisan approach to foreign affairs, in general, was coming under severe strain. "There is now more distinctive character to foreign policy than for a long time past. Bipartisanship is not easily preserved in today's conditions," he said.

The single most important factor was what he called "the confrontation" and its tendency to exacerbate. Having viewed strategic parity, the United Nations was now trying to find ways of undermining Western values and Western interests throughout the world.

The Western response, Mr. Davies said, should be based on the possibility of matching the central direction of Soviet policies in all respects. Western countries, for example, were ready to supply the Soviet Union with wheat or to compete among themselves in the granting of credits. Such acts might look rational enough in isolation, but they failed to fit in with an overall defence strategy. The Soviet Union, he implied, would never make that kind of mistake.

While it was not practical to reset by turning NATO into a worldwide defence mechanism, Mr. Davies said that the alliance at least needed to give more consideration to the impact of events outside the treaty area on its own cohesion.

Echoing Mrs. Margaret Thatcher, the Tory leader, in a speech in Brussels last month, he said that the European Community should be more aware of the purpose of the internal settlement.

political effects of its actions. The Community was a commercial organisation of unquestioned world-wide importance, but its political importance was minimal.

Mr. Davies laid special stress on the interdependence of Europe and Africa. The latter Continent, he said, was going through a dreadful crisis which would be bound to have an effect on Europe in due course.

There was, he suggested, an absolute need for Africa to have a continued presence of a very large number of Europeans for a long time to come. The Community should be aware of this, but there might also be a mutual attitude developed between Britain and France.

On Rhodesia, from where he returned at the weekend, Mr. Davies said that the British Government should seek to support the purpose of the internal settlement — namely to hold elections before the end of this year.

Although it was necessary to try to bring the two sides together, the Government's plan to hold an all-party conference was "the best recipe for chaos that I can imagine."

The proper approach was a very intensive, behind-the-scenes effort at reconciliation. Mr. Davies did not specify how this might differ from the diplomacy currently being undertaken by senior U.S. and U.K. officials. But in reply to a question, he declared that unless the Government changed its policy in the way he had indicated, the bipartisan approach would come to an end. He also thought it unlikely that the Tory Party would vote for a re-enactment of the 1965 Rhodesia Act.

Mr. Davies was addressing the Royal Institute of International Affairs on Conservative foreign policy.

Right-wing Tory voices fear over Heath return

BY RUPERT CORNWELL

RIGHT-WING fears over Mr. Heath's trumpeted return to the Tory fold surfaced with a vengeance last night. A senior official of the Selsdon group of Conservatives accused the party of "wandering down a blind alley" in its joyful reception for the former leader.

The attack came from Mr. Stephen Eyres, prospective Parliamentary candidate for Walthamstow and secretary of the pressure group, whose vice-presidents include two prominent right-wing MPs, Mr. Nicholas Ridley and Mr. Ronald Bell.

Underlying the remarks is the fear that the party in welcoming back Mr. Heath may have paid too high a price, particularly if the "reconciliation" comes to signify a weakening of the Thatcherite commitment to the free market and limited government.

Central Office, however, is busily pushing ahead its preparations for the party to show as united a front as possible for the forthcoming campaign.

It is understood that, in addition to the detailed speaking programmes allotted to members of the shadow Cabinet, similar schedules are being made ready not only for Mr. Heath but also for Mr. Peter Walker, his erstwhile lieutenant.

Mr. Walker, who seems likely to be offered an important post in a future Thatcher Government, has also proved one of the most effective Conservative speakers against the policies of the present Government.

In Ewell, last night, Mr. Eyres left no doubt that as far as he was concerned, Mr. Heath's presence might very well do more harm than good. If he did not modify his views to fit in with the shift

in the party over the past three years.

The former leader's gesture was to be welcomed, he agreed, but then pointedly warned local Young Conservatives: "If every utterance of Mrs. Thatcher now has to be double-checked to ensure that it does not offend Mr. Heath, we are in for a very bad time indeed."

"Were his words last week a benediction for her or an absolution? Was he really giving his blessing to the monetarist, free market immigration controlling Conservatism of Mrs. Thatcher?"

"Or were they an absolution of an infallible former Prime Minister—the gesture being the acceptance of his absolute rightness over industrial subsidies, incomes policies, money supply, and, say local government reorganisation?" asked Mr. Eyres.

Schmidt studies fishing problem

THE German Chancellor, Helmut Schmidt, has promised to try to find a solution to the UK's fishing problems during the term of his presidency of the EEC between now and December, Mr. James Callaghan, Prime Minister, assured the Commons yesterday.

Mr. Hamish Watt (SNP Banff) had called for a Minister of Marine Affairs to look after fishing, oil and shipping.

This idea was turned down by Mr. Callaghan who thought the functions were too different to be reconciled in one ministry. There was already a minister responsible for co-ordinating the work of existing ministries dealing with these matters, he declared.

Crédit du Nord

1977 financial year

"... This year's results are encouraging since they enable dividend payments to be resumed after normal and adequate provisions have been made. The fact that this dividend is limited to the 5 % statutory payment, with no contribution to retained earnings implies, however, that there is scope for improvement... With certain reservations, and on condition that we persevere with our line of development, it would seem to me, without appearing to be over-optimistic, reasonable to envisage an improvement in the current year's results..."

Extracts from Mr A. Dupont-Fauville's address.

Operating results
(in million of French francs)

	1977	1976
Bank receipts	2 886	2 582
Bank expenditure	1 494	1 229
Net interest revenue	1 502	1 353
Net profit	11.31	5.66
Share dividend yield (with fiscal benefit of F. 1.25) payable on 30 April 1978 against coupon 42.	F. 2.50	

Key figures
for year ended 31.12.77
(in million of French francs)

	1977	1976
Balance sheet total	27 080	+ 13.7 %
Total customer deposits	17 671	+ 11 %
Total customer loans	20 793	+ 10.3 %

Highlights from 1977

Customers increasingly benefitted from improved services in the areas of international activity, a significant contribution being made by our shareholders in the UK and West Germany, the National Westminster Bank and Bayerische Vereinsbank (and its associated banks in Düsseldorf, Hamburg, Sarrebrück, etc.).

Our medium term French francs export loans registered hefty increase over 1976, while medium term loans in foreign currencies showed a marked improvement.

In the eurobond sector, new issues increased by 22 % to 14.8 billion francs, and Crédit du Nord participated in 265 underwriting syndicates, thus maintaining its position in a very active market. New subsidiaries in Canada and Brazil, Credinord Gestion Inc. and Credinord Consultoria e Representações S/C Ltda have been created to replace our representative offices and to respond to increasing service requirements.

The Crédit du Nord Belge, our Belgian subsidiary, experienced a significant expansion of its activity in 1977.

more capacity
Harwich/Hook of Holland.

The introduction of the "Prinses Beatrix" at the end of June brings a dramatic 52% increase in ro-ro capacity on this popular route.

Now the Harwich-Hook route is operated by four ferries all with high-deck capacity for ro-ro—St. Edmund, St. George, Prinses Beatrix and Koningin Juliana. Ideal for transits to Holland, Germany and Northern Europe.

Aboard these ships your drivers can enjoy high standards of service, comfortable cabins, showers. He can get his statutory rest period on the 6½ hours daytime or the 8 hour overnight crossing and clean up after a long road trip. He can eat in the cafeteria or restaurant, drink at the bar, buy his 'duty free'.

Ashore we provide special facilities and backup services to speed your goods through the ports with the minimum of delay.

Booking on all Sealink routes is easy so is

documentation, and our rates are very competitive indeed. Book your freight Sealink and sail with Europe's No. 1 ro-ro operator.

All in all it adds up to a 100% service.



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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RESEARCH

Stress pattern made visible

PATENT protection has been sought by Sira Institute on an instrument and a method intended to measure stresses in the materials of a complex structure subjected to dynamic loading. It was developed under contract from the Admiralty Surface Weapons Establishment, Portsmouth.

Operational method is based on a new measuring technique developed at Sira and called SPATE, for Stress Pattern Analysis by Thermal Emission.

The research group which devised the equipment sees a natural outlet for it in structural design where architects and engineers have an urgent need

to know how stresses are distributed throughout a piece of equipment, a building, a bridge, etc.

SPATE is based on the observation that, like gases, solids subjected to compression or expansion in steady-state conditions with no heat loss or gain to the system, tend to heat up or cool down.

Unlike gases, solids will exhibit stress patterns in which the pressures vary from point to point and thus the temperatures. It is this change of temperature that has been closely studied and demonstrated to be dependent on stress levels at each point.

The Sira instrument operates remotely to detect these temperature patterns by infra-red detectors and presents an immediate visual display of stress distributions over a selected viewing area of the structure under study. High stress points are immediately located and resolution and sensitivity are comparable with the results obtained through strain gauge analysis.

Ease of use is a major quality of the equipment on which more information can be obtained from Sira Institute at South Hill, Chislehurst, Kent BR7 5EH. 01-467 2638.

DATA PROCESSING

Performance shown on a big screen

INSTALLED AT Univac's London Benchmark Centre to give performance assurance to intending purchasers of 1100 series computers, a new monitoring system from the company displays all the critical operating variables in colour on a pair of 4 ft x 3 ft projection "television" screens.

Known as PDG—performance display system—the equipment obtains its data from 300 high impedance probes hooked on the backplane of the 1100. These are connected to a data monitoring module which performs a multiplicity of timing and counting tasks and also monitors all the exchanges between central processor and memory. In addition, some seven aspects of software operation are monitored together with six status parameters and the input output activity on 24 channels.

A distributed communications processor converts the resource counts into percentage utilisation figures so that, in conjunction with a display generator both program and operations parameters can be shown in graph form as a percentage of available resources.

For example, the activity of various groups of disc drives can be plotted against time as a percentage of the maximum possible disc input/output. Or, the percentage of processor resources allocated to the 1100 executive could be plotted at the same time as that allocated to user routines. A running average is shown beside the graph and any time hard copy of what is on the screen can be printed. Tape systems also can be monitored.

Two separate sets of accumulated data are maintained: one, the "total history mode" is the complete data from the start of the monitoring period; the second, with the variable time scale, can be set for a period of two to ten minutes. Since everything is kept on tape, retrospective reviews can be carried out.

The London installation—there is only one other in the U.S.—has cost about \$300,000. Univac says that it will be making the equipment available to existing users of 1100 machines at a price in the region of £120,000.

More from the company at 65 Holborn Viaduct, London EC1A 1AB (01-238 1010).

PACKAGING

Cushioned in foam

A NEW grade of polyurethane foam-in-situ protective packaging has been introduced in the UK by Sealed Air International Corporation, Tolford Way, Kettering, Northants.

Developed to suit a wide variety of applications, including transit packaging operations, as well as on-line moulding of foam fittings, Instapak 40 has lightweight and semi-rigid properties and is said significantly to reduce shipping costs, cut material costs, reduce risk of product damage and considerably save on storage space in its liquid state.

It is suggested as a viable replacement for more traditional protective packaging materials such as wood, corrugated fibreboard, polystyrene foam and moulded polyethylene.

COMPONENTS

Industrial encoder

MEDIUM-RESOLUTION optical shaft encoder equipment specifically developed for the industrial and instrument markets has been introduced.

Ferranti Model 24 has a stainless steel shaft carried on ball bearings and a stainless steel protective can. A tough optical plastic disc is used in preference to glass, for increased resistance to shock. A powerful output drive stage gives a high degree of immunity to noise.

Counting range extends between 200 and 635 lines per revolution. Operation at up to 10,000 rpm is specified for normal life application.

Industrial Products Dept., Thornycroft Trading Estate, Dalkeith, 031-663 2821.

ELECTRONICS

Putting its chips on the table

SINCE NOVEMBER 1978, Crellion Electronics (the result of a marriage between ECS and GDS) has traded at Slough, Berks, which premises housed all departments of the company, including the IBM System 3 computer system, and Crellion Microsystems, a division created to meet the needs of customers in understanding the new microprocessor technology.

Financial difficulties encountered by Superlamp, one of the companies within Crellion Holdings (which, ironically, occurred with the installation of a non-performing computer system in autumn 1977) necessitated the transfer of some of Crellion Electronics' own resources during that period to assist Superlamp.

Now, an injection of capital (£1m) from a group of U.S. businessmen, plus a further £1m of working capital from a rights issue to the existing shareholders, has stabilised the situation.

Because of the apparent gen-

eral lack of expertise and knowledge of new technology among customers, the company decided there was a need for a micro-

hone enquiries on microprocessors, but would also generally assist customers in understanding and applying microprocessors. Thus, Crellion Electronics Microsystems Division was set up, in 1977, to fill this communications gap.

Since then, the division has been actively involved in producing microprocessor-based systems for customers' applications and designs of both industrial and consumer-oriented products; designed and built prototypes; and manufactured microcomputer systems in large volume. Many systems have been designed for companies outside the electronics field, in particular heavy industry.

The company now boasts customers such as the Ministry of Defence, BAC, Racal, and sev-

eral companies abroad including the Hong Kong Post Office.

The division will deal with all types of applications from the simplest to the most sophisticated, based on selected microprocessors, such as the Motorola 6800, General Instrument PIC 1650, CMOS 4000 series, RCA Cosmac 4000, Harris 6100, the TI TMS 1000, second-sourced by Motorola, also the AMD 2800, again second-sourced by Motorola.

The team of nine sales engineers, two technicians and administrative personnel is headed by the company to offer a level of technical support unsurpassed in the distribution industry, much so that its expertise is a certain future expansion is already outgrowth of the firm's premises and a move to its new home at Reading will shortly follow.

SAFETY

Senses loss of coolant

WARNING OF coolant flow failure in inboard marine diesel or petrol engines can be provided relatively cheaply with a device put on the market by Sensors and Systems of Melbourne, Derby.

The unit will be welcomed by both small boat owners and those who hire boats for holidays, since the damage that can result

from an overheated engine—usually a cracked cylinder block—can be perhaps the costliest of all.

Contained in a small "T" piece that can be inserted into the coolant intake, the unit consists of a detection circuit and a thermistor that is heated by a small current. Flow of coolant past the sensor up cools it, with a consequent reduction of temperature. But if the coolant flow decreases or stops the tip temperature rises to the point where the detection circuit operates a solid state switch which in turn sounds an alarm.

More from the company at High Street, Melbourne, Derby, DER 104 (03316 2226).



Nilfisk
The world's largest manufacturer of industrial vacuum cleaners.
Bury St Edmunds, Suffolk CB8 4ET

GRAPHICS

Transfers a clear message

DIAGRAMS, WORDS and designs can be impressed on to paper, metal, plastics, wood or glass by means of a dry transfer material now being marketed by Preselite, Rufford, Road, Crossens, South-ori PR9 5LE (0704 37577).

Sheets of the material are custom-made and can include words, phrases, numerals and they would probably have many uses in offices. Reproduction is achieved by simply rubbing over the letters or words required.

Business guise for micro

ZILOG, front runner in the micro-computer stakes through its up to the minute production centres, is also branching out into the applications market and has just announced a first product in which the micro is only one component, albeit an important one.

The company's new MC2 1680—built around the existing Z80 micro and high capacity memory chips—includes a display and keyboard and dual floppy disc in a single desk arrangement, with desk-top disc drives if required.

Four high-level languages are supported and the unit is suitable for many business applications, from payroll to mortgage loan control. Zilog is a wholly-owned subsidiary of the giant Exxon Corp.

It operates from Nicholson House, Maidenhead, Berks, SL6 1LD. 0235 36131.

MATERIALS

Door trims made fast

DESIGNED AND built by Radync, a new type of automatic plastic welder has been set up at the Chrysler factory at Dunstable in the new trim plant where it is turning out a full set of door trims for the Alpine in 100 seconds. It is expected that the equipment will speed up to some 500 sets of four trims each per week to meet the growing demand for the Alpine from the UK and U.S. markets.

Design of the Radync unit is rotary and pneumatically operated. Linear motors drive the turntable carrying the four electrodes, one for each door, beneath the high-frequency press.

The two-part design of the electrodes permits two different weld operations to be carried out at each pass.

Disc brakes are used for emergency stops and a pre-charged air bottle can take over and apply these brakes in case of pneumatic failure.

Power source used is the company's 30 kW RF generator.

Revolving in synchronism with the turntable is a four-station materials dispenser, and the four components making up the trim for each door are presented to the operator as the

appropriate electrode arrives.

Three remote-control units, which can be used together or individually are arranged around the turntable and positioned so that the operator must turn away from the table to start or stop the machine—an added safety factor.

Further information on this new piece of equipment from Radync, Mollie Millars Lane, Wokingham, Berks, RG11 2PX. 0734 753333.

Development is under a licence from a Government organisation

IN BRIEF

—CNET—and Fort has produced a series of monofilament and bundle fibres to meet requirements running from lighting and endoscope applications, to aircraft signal uses.

The French company is also making fibre for long-range data transmission in a variety of forms, offering extremely high reliability factors.

Further details from Optronic Fort, Cambridge Science Park, Milton Road, Cambridge CB4 1RH. 0223 870333.

electrical wire & cable?

A large polycarbonate film capacitor is being manufactured by MFD Capacitors of Peasey, Wrexham, Chwyd (09787 551) able to handle 6,000 amps for about one microsecond.

ASI Microsystems has introduced a version of the 6800 microprocessor which is able to operate over a range of temperature from -40 to +85 deg C. More from 106A, Commercial Road, Winton (0783 31346).

Thousands of types and sizes in stock for immediate delivery
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BMW on the right track

BMW enjoyed another record year in 1977. Both in Germany and abroad the Company's progressive model range attracted an ever greater following. More than 288,000 cars and around 31,000 motorcycles were sold around the world.

New six-cylinder range

In 1977 BMW launched its new generation of six-cylinder engines and introduced the 7-series luxury sedans. These developments further stimulated the already strong sales demand.

Renewed high investment, 3,500 new jobs.

During the year under review, BMW invested a record DM 335 million primarily in new product development, expansion of plant capacity in line with overall demand and rationalization programs. These investments were largely financed from own resources. As in the past no short-term borrowing was necessary. The added facilities guarantee the necessary higher unit output without orienting production on peak demand. At home and abroad BMW now employs 37,581. In 1977, 3,551 new jobs were created.

Record performance in all major markets

BMW's own distribution network contributed greatly to the remarkable sales performance in all major export markets with main emphasis on the US, EEC countries, Switzerland and Austria. In the US, gross dollar sales grew by 35% due to

Comparative Annual Figures		1977	1976	Change %
Sales				
BMW AG	DM mil.	4,981.0	4,287.0	+16.3
BMW Group	DM mil.	5,530.5	4,756.1	+16.3
Output				
Cars	units	290,236	275,022	+5.5
Motorcycles	units	31,315	28,209	+11.7
Car sales				
Domestic	units	143,774	135,994	+5.7
Foreign	units	144,466	139,028	+3.5
Total	units	288,240	275,022	+4.8
Motorcycle sales				
Domestic	units	6,668	6,040	+10.4
Foreign	units	24,647	22,169	+11.2
Total	units	31,315	28,209	+11.0
Personnel				
Strength at end of year: BMW AG		33,298	29,492	+12.9
BMW Group		37,581	34,050	+10.4
Personnel expense	DM mil.	1,550.8	1,155.6	+33.3
Balance sheet total	DM mil.	2,390.1	2,193.1	+9.0
Share capital	DM mil.	296.0	330.0	-10.0
Net worth	DM mil.	820.5	695.6	+18.0
Fixed assets	DM mil.	1,586.4	1,216.7	+30.4
Investments in tangible fixed assets	DM mil.	335.1	320.8	+4.5
Depreciation of tangible fixed assets	DM mil.	222.5	160.5	+38.6
Annual net profit	DM mil.	125.3	120.0	+4.4
Dividend	DM mil.	65.3	65.0	+0.5
per share of DM 150 nominal value	DM	9.00	10.00	-10.0
	%	18.4	20	-9.0

1. Including sales of other divisions. 2. Group sales include the BMW Group's subsidiaries. 3. Including special items and extraordinary gains. 4. Comparison with 1976 figures. 5. Figures for 1977 are preliminary.

increased sales of the large six-cylinder models and general parts revenues. Unit sales registered a 12% gain in the United States. Overall exports advanced by 3.5%. These results were achieved despite the unabated strength of the DM against major currencies as well as strong demand which could not be fully met.

BMW's 1977 surplus - DM 125 million.

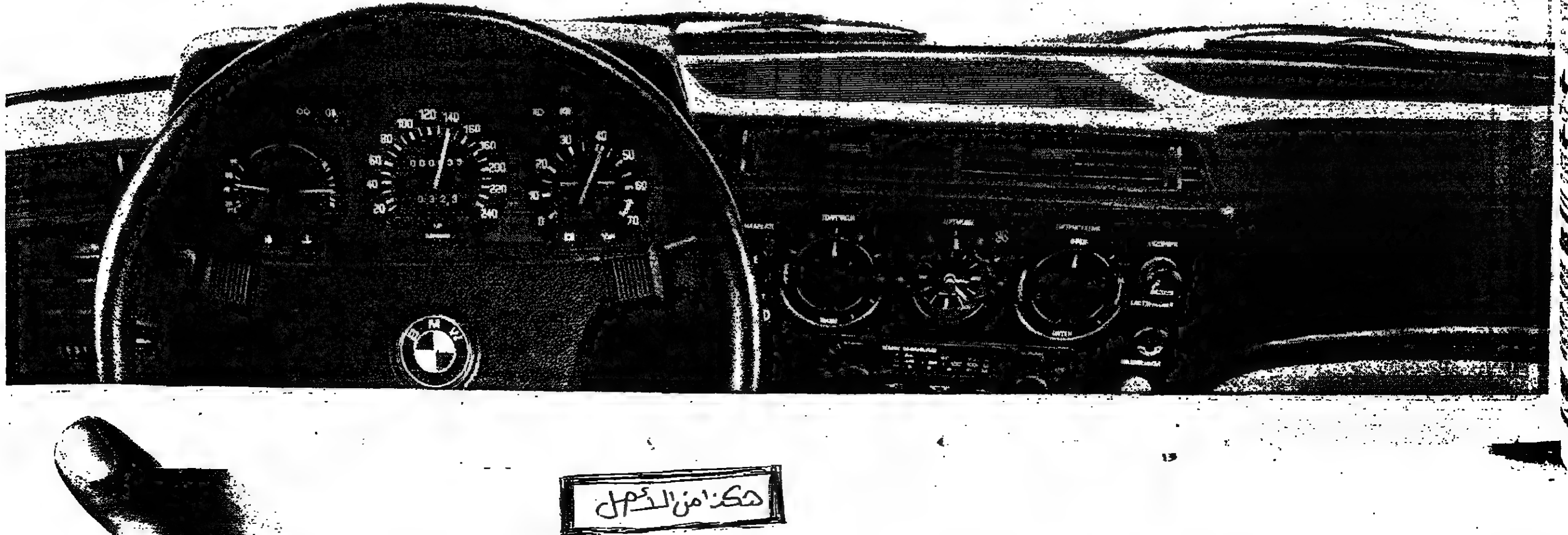
Of this amount DM 60 million was used to further strengthen the Company's financial reserves and DM 65 million was distributed to shareholders.

Looking ahead

1978 got underway with the highest product demand in BMW's history. However, BMW will continue to contain its overall growth in order to further strengthen the Company's basic financial and corporate structure.

In this connection a further increase in capital of DM 104 million has been authorized at this year's annual general meeting, total funds available from this operation will amount to approx. DM 150 million.

Bayerische Motoren Werke
Aktiengesellschaft-Munich



BY CHRISTOPHER LORENZ

The author is canny enough to include a few words on how

But is he always sensible to hell-for-leather for a man embracing patents? In addition to their complaints about the cost and time involved in the patenting process, some designers and manufacturers argue that the patenting process insisted upon by the authorities as part of patenting gives the game away "necessarily early to one's competitors, who then have time to make few design changes—which may constitute improvements—and get rapidly on the market with their own version of the product.

Not entirely on purpose, Ron Kamen may have struck the nail on the head in the early life of his invention. The book, "Design Protection," published by the Design Council, recalls that he spent six years evolving his idea into a potential product before he applied for four patents in 1968—having to wait further four years till they were granted.

Secondly, it is arguable that, if one of the big names had taken up Hickman's idea in 1969, its competitors would have realised its potential and rushed a similar product on to the market in double-quick time. As it was, Hickman's original patent applications were well advanced by the time Black and Decker and the others were beginning to notice his commercial success.

BY OUR LEGAL STAFF

★

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Is it possible to make it a condition of a private company's procedures that all decisions taken must be by unanimous agreement of the members, and that on the death of a member all interest and rights pass to his next of kin?

Next at kin:

Both the provisions which you suggest may be inserted in the Articles of Association (which is the contract which governs the conduct of a company). However each has potential disadvantages. Especially the unanimous decision provision. You should therefore obtain advice before settling up such articles. You will find advertisements for the services of company formation specialists in standard legal periodicals, for example, the *Guardian Gazette* or the *Solicitors Journal*.

★

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Enquiries to: Gordon K Smith FRICS
Industrial Development Officer
Telephone 0533 549922 Ext. 6700

or John Brown FRICS
Industrial Promotion Officer
Telephone 0533 549922 Ext. 6760

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In his chapter on international trends, Dan Johnston explains how there have been attempts for many years to co-ordinate different countries' goods. But France, whose port regularly accommodate British Rail ships, has a system which does cater for "service markets". So the BR symbol is registered across the Channel.

The Government's readiness to expand the new Microelectronics Application Project later in the year, injecting still

I am convinced that we thereby guarantee the company's future."

Our confidence in Hoechst's continuing success is based on the fact that progress is being increasingly shaped by the chemical industry. More than virtually any other branch of industry, the chemical industry can offer solutions to the crucial problems of our time. We are conscious that the predominant contribution must come from new developments rather than simply from manufacturing large quantities of existing products. This is a challenge to our researchers: to make optimum use of our scientific and technical potential and find new ways. Here lies the real basis for the growth of Hoechst, signifying the importance of research and development for our business activities.

In 1977 the company spent over one billion Deutschmarks on research and development, approximately DM 80 million more than in the previous year. This is a substantial investment for the future, so that the company can meet the challenge of international competition tomorrow as well as today. The need for this expenditure is underlined by the fact that nearly one-third of our present sales has been achieved by products that did not even exist ten years ago. New products will continue of course to be a criterion of successful research. Equally important, however, will be the further improvement of existing products and the development of raw material and energy-saving production processes. In this way we open up new business opportunities and at the same time safeguard employment and the growth of Hoechst.

* The financial statements have been certified by the auditors.

In many fields. Rising labour costs, the continued revaluation of the Deutschmark, competition distortion through enterprises not operating in accordance with normal market principles and declining prices have all had a considerable effect upon our activities. However, jointly with our 180,000 employees in all parts of the world, we have faced up to these problems and overcome this difficult year.

Name: _____
Occupation: _____
Address: _____
Hoechst UK Limited
Hoechst House
Salisbury Road
Hounslow Middle, TW4 6JH



Hoechst



by CHRIS DUNKLEY

Granada was subtitled? What might he make of Images such as:

"Stern daughter of the Voice
Of God!
O Daughter of that name thou lovest
Who art a light to guide, a rod
To check the erring and
reprove."

What price flagellation not to mention incest, nudity and troilism all over Dove Cottage?

On the other hand, he might come up with something more like his earlier BBC films on Elgar, Debussy and in particular Debussy which attracted such wide acclaim, and since Melvyn Bragg who co-scripted the Debussy film was collaborating again on the *Clouds of Glory* programmes (the second, with David Rieu as Cosmide, appears next Sunday) this seemed at least as likely.

Sure enough it was the quieter and more respectful Russell who brought us Wordsworth and his sister Dorothy. In fact there was no incest, no nudity, and just avoided the cloying turpitude of the Hollywood biopic. Not only did it imply that the poet's beloved sister died tragically of some mysterious disease, during the course of which she ate dirt, but

recite to her brother his own immortal lines and recall their idyllically pastoral childhood (actually she lived to be 88, dying five years after he did), but from time to time the script and pictures began to feel uncomfortable like a Valentine card.

Thus, the film's last line "For I have learned to look on nature" — the film cut to a closeup on a red rosebud and then raced off into a quick cutting sequence of other "nature" pictures.

But noticeably such moments were rare. The main acting was done by the two stars, with Kendal in the leading roles, Dick Bush's surprisingly unromantic photography of the Lake District (the weather may have helped avoid clichés), the music of the English composer Vaughan Williams (presumably chosen by Russian and above all the use of Wordsworth's own words, combined to create a whole which, considered simply as a television programme, stood up well and provided much enjoyment and some enlightenment. The presence of the second Denny seemed an encouragement rather than a help, but, of course, it stirred the

The thing is that, one has learned to suspect a bit more than that from Russell. His *Delius* film achieved a coalescence of visual image, music, and biographical fact which was almost magical in its unity, and through the Wordsworth programme approached this it never quite got there. It was on the other hand led it through the words and images of the sort Russell's programme had used elsewhere to explore the motives of and responses to great artists.

It does seem a pity that in any one work he tends to operate in only one of these two mutually exclusive modes: the first exploiting the sensual, the dramatic, the melodious, poignant, dreamlike, and loving aspects of life, and the second the subconscious, bizarre, uncontrolled, bitter, nightmarish and lustful. A combination of the two ought to result in a masterpiece, showing us in one form of that which we have seen in Tolstoy, how the dark and dreadful in humanity is an inevitable corollary of the light and loving.

Just once in the Wordsworth film we saw Russell's darkly gleaming side when he hinted at some of the great, gloomy, and morose passages in the poet's noble

others—does, precisely match that of the Wimbledon crowd; and, second, and rather more important, for sounding too much like an honorary member of the international tennis circus and too little like an independent and—when necessary—critical onlooker. The true value becomes apparent every time some non-professional commentator is invited to air an opinion between games. Mark Cox, for example, may know a lot about tennis but he talks like a sociologist. On Saturday he invented something called "the circumstances" and another from Peter Smith. Maskell's fellow professionals are sometimes nearly as bad: one of them (unidentified, conveniently for him) should be beaten about the head with a tennis racket all he tells us is that "between" what he calls "the circumstances" and "the circumstances" he is "recovering from" and "recovering from the Love-40 situation" and "recovering from Love-40."

Commentators aside, Wimbledon might almost have been invented with television in mind. It is fairly a visit to the Court in "the first week I am convinced that it is the




Mea Yeneria and

Coliseum

Dutch

by

**Rudolf Nureyev's incumbency
of the Coliseum has brought the**




and Rudolf Nureyev (right) in "About

n National

CLEMENT CRI

what Nureyev does. It is, and of how few dancers can one say

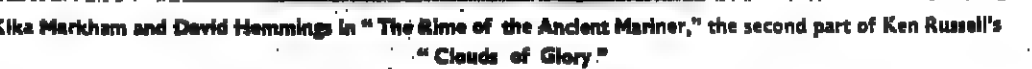


a Dark House " "

Ballet

SP

have them be — this I infer
from the programme note.



whipped up like dory horses in the shafts of a cart manned by cackling Jacobins.

★

Russell's aim came at the end of a fortnight's television which belonged largely to Dan Maskell and should have belonged to him even more. Maskell is, of course, the chief Wimbledon commentator and is a about him somebody pointed out that he is remarkably good at his job, as are several of the BBC's senior sports commentators.

For instance, despite the interminable fun made of David Coleman's supposed solecisms he is actually an exceptionally well-informed and level-headed commentator. It is true that he does occasionally (and the occasions are rare) become over-excited and consequently shrill. It was not he but his colleague Ron Pickering who informed us during Sunday's athletics meeting at Gateshead that, "In this race there's only one winner."

If one were to criticise Maskell it would not be for his repetitive use of "Played" or more emphatically "played as played" since repetition is the mark of most unscripted speech, and Maskell's catchphrases are less intrusive than many.

It would be, first, for

sense of occasion, you are much better off at home than you are even in the front row of the Centre Court.

Not only can you keep dry without any trouble in your own sitting, you can keep your legs relaxed without straining your neck by perpetually scowling from left to right and back again, but also it is much easier to concentrate, no wind in your ear, no vile pipe smoke on your nose, no battery of single lens cameras staring at you from crashing above in front of you.

Since a whole tennis court fits in nearly on screen, with the human figure remaining quite an adequate size, and since tennis is concerned primarily with dynamics, and since the relatively low sound quality of TV sets is of little significance during a tennis match, it turns out that unlike the subjects of some outside broadcast, tennis—opras, say, or ballets—Wimbledon actually gains by being watched from your armchair rather than the exceptionally hard benches on the spot.

*

Welcome to the Kenny Everett Video Show from Thames. It is read, honest, disrespectful, and utterly individual. Better still it's funny. How unusual to find someone such as Kenny Everett

five towards an adagio—a generosity towards his audience which also made him a popular performer of great length. The one ballet in which he does not appear is the most easily dispensable — the gum *Adagio Hammerklavier*—but even Nureyev gave a moment's rest in such a marathon evening, and he was back on his feet to silence the summer coughers in the audience allo! The adagio from the Hammerklavier sonata is a demanding enough piece in the concert hall; with Hans van Manen's version the choreography seems to have been kicking a stormer in against the door of a room in which the music is being played. Apart from the beautiful account of a duet by Alexandra Radius and Han Ebbelaar, who surmount even its "wrong note" willfulness, I find it an exasperating place.

Nureyev has been giving his *Four Seasons* by Manen work: the *Four Schwann* Pieces made three years ago for Anthony Dowell, and designed as a showcase for his broad-spanning lyricism, Nureyev makes a sharper, more tensely dramatic picture of the isolated hero. I find his performance throughout the evening, very serious because so carefully considered.

It is sometimes vehement in dynamics, but in his fourteenth year Nureyev not only makes prodigious demands upon his

pieces choreography thus acquired an odd and pungent savor.

The *Corinthe* duet which followed was for years been a Nureyev show-stopper. It was early last night so vanished, and Maria Aradi produced a coarse manner for her variations; there is nothing to commend in it save the headlong drive that impels Nureyev through it—like a wall-of-death rush to survive on the instant momentum of his solos.

The two works new to London which complete the evening are oddities: one successful, the other hermetic. Toer van Shayk's *Faun* updates yet again the Nijinsky original. This time the setting is a factory; two girls go through routine machine work as pop music tears the air; a young man passes mashing cleaner's trolley. At a lunch-time break, one girl turns off the pop music; the boy settles down in eat his meal (a bunch of grapes) and turns a cleaning rag first into a tangle of curls through which his fingers poke like horns, and then a wiggle; then, like Delussy's *Jeux*, he begins, and faun and nymphs now depict themselves. For

Hambrook-Ramall, and brilliant design by Tracy van Schaeyk that transforms a "two functional drawings" into a poetic open arena. A double cast — guests and their imagined selves — prattle and posture, and Nureyev makes the best of a bare job.

With their many and varied activities during the evening, the Dutch National dancers gave excellent accounts of themselves the company's design — often simple, always sensitive — seems to incite every well judged.

European orchestra

Plans for the European Community Youth Orchestra's summer tour are announced by Mr. Edward Heath, the orchestra's president.

During August the EGYO, conducted by Lorin Maazel with Mr. Heath as guest conductor, will give concerts in London, Dublin and Copenhagen and will also take part in the Tenth Anniversary Festival of Youth Orchestras at Aberdeen.

The programme, including works by Britten, Verdi, Brahms and Berlioz, will be slightly more popular than that chosen by Claudio Abbado for the EGYO's successful spring tour, when

Stratford, Ontario

NICHOLAS KENYON
happened to be reading
esterday the record-sleeve
ography of a well-known
mist, who claimed to like
oniesque architecture, un-
ntional humour, and kitsch.
would have loved Monday
ht's concert at St. Bart's.
eed he is the only person I
think of who could have
oyed it. The large audience,
own presumably by the reports
this group's successful debut
Smith Square, merely
blauded politely.

Electric Phoenix vocalists
Jensen, Linda Hurst, John
Simon Grant and the all-
portant sound-mixer Terry
wards — are an alarmingly
— group of up-market
people who have chosen (on
evidence of this offering) to
their talent away on music
which makes all the tight
ures and all the expected
ures and which ends up as
tentitious sermonising.

The Ultimate Decay by Morris
took 29 minutes to picture
minutes of screeching, pre-
ended organ punctuated by
drum beats; another five
chatterings mingling into such
ligible texts as 'all creation
sed on absolute principles'
minutes in, a hypnotic
rhm astinato was developed;
the organ was back, mixed
wandering chords from the
es; twenty minutes in, pretty
these notes mixed with
electric bells; finally we
ed the grunts of an expiring
ck over the sound system; and
on beats alternated with a
ding thunderstorm for the
four minutes.

uch was the kitsch: the intentional humour surfaced in Stockhausen's Expo, a particularly fruitless exercise in transforming short wave radio signals during which several of the audience thought they could hear better (without the aid of a radio) than the inspiration in a radio broadcast. The *Handes* combined the two qualities, letting me huffed on a first performance this sub-Stoppard performance of a 1916 Dada cabaret was rather exuberantly nihilistic and intelligibly didactic. Among the technical equipment, Stoppard introduced a potentially disruptive transformation of movement into sound. Finally (or fact first), there was John Cage's *Aria*, painfully unfunny, John Rushby Smith's *Compani*, a lovely confection of decayed sounds from Kansas and London, and the *Reflections* of mirrors, the images binding endlessly into distance.

by B. A. YOUNG

"Does he," believes," wrote an anonymous Whistler to the editor of The Spectator when his art critic damned the painter's *Symphony in White* for containing colors, "that a Symphony in F contains no other note, but shall be a continued repetition of F, F, F, Fool! There are six notes in a Symphony in F. Sir John Glynne opening repertory this year, and more to come. After all, the New York Shakespeare Festival's current productions are A Chorus Line, For Coloured People who have Considered Suicide and Runaways.

At the Avon Stage Society Vanhoose given a grand set for forced under Robin Phillips, who as usual has taken on most of this year's work, and Urjo Kareda, who is his dramaturge. The set is severe and economical, two plain wood walls (one wall only in Act One, showing a glimpse of a fireplace) and a plain wooden furniture. The featureless boredom of life on the Serenishnikov estate is perfectly established, and the irrelevance of the Professor (Max Helmann) with his bulbous intellectual head and hair like black coat and starchy trousers comes as a salutary shock.

The Professor's wife Elena is even more irrelevant, for she is Martha Henry, looking fabulously beautiful in her expensive clothes (diamonds, furs, etc.) and floating casually above life save when occasionally in excess of ennui tempts her to dip her fingertips into reality. Carelessly breaking Vanya's heart and Sonya's, even making little chips in the lives of the other two, she thoughtfully thought-out performance, and has moreover some sturdy material to work on. For Vanya is played by William Hatt and Astrov by Brian Bedford. Vanya's good-natured resolution glows from Mr. Hatt's white-fingert gleamed countenance, and his own subtle, well-orchestrated family conflict with the other two men is more livable. Mr. Bedford's Astrov is a marvel of coolness: his self-analysis in the Act Two scene with Sonya (Martha Henry, hardly plain enough) is masterly.

There is a new translation by John Murrell, current enough to ensure that another will be needed in 20 years' time. But it contains one useful postscript on the "mood" of the Astroff. "The mood about the Professor is he really sick? Vanya (with a look at the Professor) He's really sick!"

The versatile, protean Marbale Henry is seen again as Sister Eugenie in John Whiting's *The Devils*, a little bump-backed creature alternating sanctity with diabolical possession. This fantasy is a theme by Aldous Huxley does not suggest a deep understanding of the subject; the play is told on a virtually romantic level. Father Grandier is presented almost as a sentimental character, and Nicholas Pennell plays him with a sweep of blond hair—alike, to be shaven when he comes into the hands of the Inquisition — and

snapper heard. Apart from Jeanne, the nuns are not much more than laughably schoolgirls. The importance of such matters is not completely realised.

Robin Phillips gives the play an appropriate fire from the start, with forlornome organ chords and vivid strobe lights to set the first scene. It is a play for the big picture, and it has them. The main characters are Miss Henry, writing under the domination of Amodeus, whose devilish voice sometimes suggests Eartha Kitt's, and a terrifying figure, Mr. Pennell, who in his sleep white soucares and swears like a sailor. The play so offends his bishop, is as sure of damnation as Faustus, and is sent morbidly to it on the wheel.

Candide plays sometime on the proscenium stage of the Avon, sometimes on the open stage of the Festival. It is characteristic of this management to choose a musical with intellectual music by Bernstein and an intellectual plot by Voltaire. It is also a sign of their integrity that the singing is singing, not moaning through microphones, and the singers, led by Edward, Esme and Cathy, are as good as the best. And the Caroly Tomkins and Andrea MacLean, Candide, Panquette, Camégonde and the Old Lady demonstrate how very much better even modern musicals are when the voices are undistorted.

The production is packed with comic little cameos, bright costumes and modestly entertaining choreography. (I saw it on its first performance on the Festival Stage, which perhaps didn't show it at its best.) It is directed by Louis Macmour of the Canadian Opera Company.

Richard Monette, Hamlet two years ago and the Seawoman in The Devils this year, fires off

judgement by Barry Collins at the Avon. He persuaded me no more than Colin Brady did at the National that the place was designed for speaking rather than reading, and he is indeed determined to treat it as literary rather than drama. All this

**St. Bartholomew-the-
Lontano**

by NICHOLA

After Monday night's extravaganzas, it was good to return to

...the music was worth hearing. The
...concert in which every
...Ontario Ensemble, on this
...occasion Igrith Culliford (flute),
...Nicholas Gerth (cello) and
...Madeline de la Martinez (piano).
...played four works, and the audist
...and pianist were
...Karlita II by Nareesh Sohal
...who has too often suspected this
...composer's music of being
...atmospherically, but here the
...assiduity, enjoyed and indulged
...provided a compelling framework
...or a setting of John Donne's
...*The Good Morrow* — the poetry
...becomes tougher than does
...Sohal's music, but its conclusion
...beautifully mirrored in Sohal's
...microtonally dissonant
...minison.
...Marek Stachowski's Audition,
...which received its British
...premiere, proved to be a well-
...planned, closely knit essay for
...cello and piano; it worked
...towards an attractive
...decoration of notes through the
...violent movement exploring the

The Third Stage, a 300-odd-seat open space with a stage like the front half of the Young Vic's, reopens with a new play by Sheldon Rosen, *Next and Jack*. Next is Edward Sheldon, once a famous dramatist and playwright. Jack is John Barrymore and the play presents an imaginary encounter between them when Barrymore has started his famous run of Hamlet and Sheldon, to whose encouragement the performance is due, is prevented from going to the United States by arthritis. Jack resolves to repay his debt by helping Sheldon to live through his illness as happily as possible; but he has not the depth of understanding to see that beachcombing on Tinseltown is not exactly the right prescription.

Mr. Rosen has filled Barrymore's lines with the Barrymore panache and Sheldon's with the Sheldon artifice. Consequently Alan Scarfe, in a masterly interpretation of the original, holds the stage throughout, while Jack Wetherall, whose character is the villain, is the least convincing of the proceedings—can only indicate his part inconsiderable talent for

Peter Moss is the director. There must be some way in which he can make visible the mountain-peak with which Sheldon trepanens Barrymore. From here I sat, he might have been threatening him with no more than his fist.

Great.

Ensemble

S. KENYON

inside of the mine, then a natural break, with varying and characteristic spots, the hetero-

movement in which the pianist returned to the keyboard and a gradual evaporation into harmonies of the most delicate and delicate. The piano satisfying in design and content was *Opus 10, No. 1* by Maurice Ravel's *Maîtrise*. The flute piece, with occasional commentary from the inside of the piano: an exquisite powerful cadenza, a strong solo movement, and then a cheerful little sketch from the piano strings, broken by echoes of the flautist's opening cadenza.

Little after than these, but a coherent was given by the *Duo for Flute and Piano* by the German, Dieter Ackert, the reticent and deep substantial piece was *Shostakovich*, a hymn to spring by the Japanese composer Fukushima, which explored the full range of the flute's possibilities, and was strongly projected by Evelyn Clifford — indeed as well as performers intended to meet with, arguing the flute with sensitivity and intensive commitment.



by CLEMENT CRISP

Rudolf Nureyev's incognito as the Colossus has brought the Dutch National Ballet to join him this week, in a bill in which Nureyev appears in four of the five works on show—a generosity of which the Dutch Ballet is not always capable. Nureyev's programme of excessive lengths. The one ballet in which he does not appear is the most easily dispensable—the gum arabica, a piece of music by Stravinsky which Nureyev needs a momentary rest for such a marathon evening, and so we have to suffer in whatever silence the summer coughers in the audience allow. The adagio of the *Colossus* is a piece of music demanding enough place in a concert hall; with Hans van Manen's version the choreography seems like someone kicking a tin can down the door of a room in which the music is being played. Apart from the beautiful account of a duet by Alexandra Radius and Hans Abbelsz, who surmount even the wrong note wilfulness, I find little to praise.

Nureyev begins the evening in another van Manen work: the *Four Schumann Pieces* made three years ago for Anthony Powell, and designed as a show-off for his broad-spanning virtuosity. Nureyev makes a character, more tensely dramatic in figure of the isolated hero, I find is dancing here, as throughout the evening, very seriously because he carefully considered.

He begins the *Colossus* in dynamics, but in his fortieth year Nureyev not only makes prodigious demands upon his physique, but also endows his every step with a psychic intensity, as if will and mechanism were fused in the almost extraordinary expression of movement. The result is sometimes inequitable, because the dance sequences almost naked to its drive—the conventions of classicism's smooth surfaces have dropped away to reveal the almost unrelenting— but more often there is now an hypnotic fervour in

what Nureyev does, it is, and of how few dancers can do it, and this, emotionally involving of its audience, and the misadvised blandness of the Schumann pieces—choreography thus assured an odd and pungent savour.

The *Corsaire* duet which fol-

Book Reviews appear on Page 24

lowed has for years been a Nureyev show-stopper. Its vulgarity last night was unashamed, and Maria Aradi produced a house full of rather few variations; there was nothing to commend in it save the headlong drive that impels Nureyev through it—like a wall-of-death rider he seems to survive on the initial momentum of his first steps.

The work now in London which completes the evening are oddities: one successful, the other hermetic. Toer van Shaysk's *Faux* updates yet again the Nijinsky original. This time the setting is a factory, two girls go through routine machine work as pop music tears the air; a young man passes pushing a cleaner's trolley. At a lunch-time break, one girl turns off the pop music; the boy settles down to go through routine machine work (grapes) and turns a cleaning rod first into a tangle of curls through which his fingers poke like horns, and then a wagging tail. The Debussy *Prelude* has begun, and for a moment Nijinsky's theme is revived. For Nureyev the role is well conceived, and excellently played, with traces of humour saved a strong vein of sensuality. The girls—Maria Aradi and Alexandra Andrus—are less well served; their identity is never clear.

Rudi van Dantzig's *About a Dark Horse* is a rather different matter. It has no doubt been the subject of a party which imagines the stuffy guests as he would

happen here — this I infer from the programme card, though the choreography did not make it clear to me. There is an extraordinary score by Roman Haubenstock-Ramati, and a brilliant dance by Toer van Schayck that transforms a 70s functional drawing room into a poetic open arena. A double cast — guests and company — and a crumple and posture, and Nand makes the best of a bad job.

In their many and varied activities during the evening, the Dutch National dancers gave excellent hints as to themselves the company's design — often simple, always sensitive — seems to me very well judged.

European orchestra

Plans for the European Community Youth Orchestra's summer tour were announced by Mr. Edward Heath, the orchestra's president.

During August the EYCO, conducted by Lorin Maazel with Mr. Heath as guest conductor, gave excellent concerts in London, Dublin and Copenhagen and will also take part in the Tenth Anniversary Festival of Youth Orchestras at Aberdeen.

The programme, including works by Britten, Verdi, Brahms and Beethoven, was thought more popular than that chosen by Claudio Abbado for the EYCO's successful spring tour, when Mahler's Sixth Symphony was the chief item.

At Amsterdam, Bonn, Paris, Luxembourg, Brussels, Madrid and Rome were on the itinerary at Easter, by the end of the summer tour all nine of the European Community Countries will have been visited by the orchestra, whose young musicians, aged 15 to 20, are drawn from places as far apart as Sicily and Denmark.

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The programme, including works by Britten, Verdi, Brahms and Berlioz, will be slightly more popular than that chosen by Claudio Abbado for the EGYO's successful spring tour, when Mahler's Sixth Symphony was the chief item.

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of January 1, 1971, as supplemented, providing for the above Debentures, \$1,000,000 principal amount Debentures bearing the following numbers have been selected for redemption on August 1, 1971, through operation of the Sinking Fund, at the redemption price of 100% of the principal thereof, together with the accrued interest to said date:

DEBENTURES OF \$1,000 EACH																	
26	5	1385	3398	3359	4778	5057	7122	5224	9309	10548	11828	12427	14177	13554	18380	17280	18880
35	8	1269	3421	3794	4708	5381	7204	5353	9350	10600	11857	12590	14181	13568	18297	17361	18870
36	9	1441	3441	3524	4708	5381	7204	5353	9350	10600	11857	12590	14181	13568	18297	17361	18870
40	12	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
41	13	1447	3447	3527	4708	5381	7204	5353	9350	10600	11857	12590	14181	13568	18297	17361	18870
44	14	1444	3447	3528	4823	5390	7230	5400	9400	10700	11900	12600	14200	13600	18300	17400	18900
45	15	1444	3447	3527	4708	5381	7204	5353	9350	10600	11857	12590	14181	13568	18297	17361	18870
46	16	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
48	18	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
49	19	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
50	20	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
51	21	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
52	22	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
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54	24	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
55	25	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
56	26	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
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64	34	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
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67	37	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
68	38	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
69	39	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
70	40	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
71	41	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
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78	48	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
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85	55	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870
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100	70	1448	3448	3528	4805	5385	7205	5358	9358	10608	11858	12590	14181	13568	18297	17361	18870

On August 1, 1978, the Debitenures designated above will become due and payable in such coin or currency as United States law at the time of payment shall make legal tender for the payment of public and private debts. Said Debitenures will be paid upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y., 10015 or (b) subject to any laws or regulations applicable thereto in the country of any of the following offices, at the main offices of Morgan Guaranty Trust Company of New York, New York City; Main Office in Luxembourg; Luxembourg branches of Bank Mees & Hope NV in Amsterdam, Kredietbank van Luxemburg in Luxembourg; and Banca Vonwiller & C. S.p.A. in Milan. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

by NICHOLAS KENYON

After Monday night's extravaganza, it was good to return to St. Bartholomew's for a lunchtime concert in which every instrument was worth hearing. The Ontano Ensemble, on this occasion Ignatius Culliford (flute), Nicholas Geddis (cello) and Doudaine de la Martinez (piano), played four works, and the flautist and pianist were joined by soprano Karen Jensen in *Kacira*. If Narek Sobhyan has too often suspected this composer's music of being positively atmospheric, but here the atmosphere (of languorous lassitude, enjoyed and indulged) provided a compelling framework for a setting of John Donne's *The Good Morrow* — the poetry became tougher than does Beethoven's music, but its conclusion beautifully mirrored in Sohal's microtonally dissonant conclusion.

Mark Stachowski's Audition, which received its British premiere, proved to be a well-learned, closely-knit essay for flute, cello and piano; it worked outward from an attractive decoration of the notes, through violent movement exploring the

inside of the notes, then a "natural break" with tuning and improvisation from the instruments, to a quieter, substantial movement in which the pianist returned to the keyboard, and a final evaporation into harmonics based again on D.

Similarly satisfying to design and content was *Madness* by Martin Montgomery. Madness, a flute piece, with occasional commentary from the inside of the piano: an excited, powerful Cadenza, a strong solo movement, and then a cheerful little skit from the piano strings, punctuated by echoes of the flautist's opening cadenza.

Rather drier than these, but no less absorbing, was a dour little *Duo for flutes* and *Two for the Common Deep*, where the prettiness and least substantial piece was *Shen-Sen*, a hymn to spring by the Japanese composer Fukushima, which explored the full range of the flute's possibilities, and was strongly projected by Ignatius Culliford — indeed all the performers seemed to be working hard, bringing its merits with a freshness and unobtrusive commitment.

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Beginning to work

AFTER THE financial package news of particular concern to which the Chancellor was forced to introduce early last month in the money supply order to preserve the credibility and the latest twist of the trade of the strategy outlined in his figures.

Budget speech, the markets were understandably preoccupied with the money supply. The package was made necessary by two related considerations: the excessive growth of sterling M3 during the financial year just ended—it reached 18½ per cent against the official target range of 8-13 per cent—and a feeling that the fiscal proposals put forward in the Budget could not easily be reconciled with the new financial targets. Sales of stocks to buyers other than the banks therefore languished and gloomy expectations became self-justifying.

The banks themselves were so conscious of the fact that fresh controls on the growth of the money supply might have to be introduced that they had for some time been building up their base of interest-bearing deposits against a re-imposition of the official control on growth. The Bank of England had sought to combat this window-dressing with a warning that it might choose an earlier date as the basis for any re-imposition. And this, when the package was finally announced, is precisely what it did. Not only were interest rates raised again, but the control on the growth of interest-bearing bank deposits was re-imposed in a manner that was bound to hurt.

Money growth

The immediate reaction to these measures was an assumption that the worst was out of the way and that interest rates were now more likely to fall than rise. The Government soaked up funds that had been held in suspense by selling large quantities of gilt-edged stock—such large amounts, in fact, that the market soon developed a fit of indigestion from which it has only recently begun to recover with the strengthening of the sterling exchange rate against the dollar. This recent recovery, however, is still sufficiently tentative to be greatly dependent on

Possible brake

Although their interest-bearing deposits have in fact fallen during the latest month—implying that the change in sterling M3 is unlikely to be large in either direction—they still have a good way to go before reaching the level above which they become liable to penalties in two months' time. Given that the eligible liabilities of the clearing banks have risen while those of the banking system as a whole have fallen, moreover, it is possible that the former will have to brake the future growth of their advances with particular force—hardly a stimulus to investment in either stocks or fixed capital, at a time when profits are likely to be flat. To contain the growth of the money supply, however, the Government had no choice—with its traditional methods of financing the public borrowing requirement—but to behave as the market expected. Yesterday's banking figures will help to continue the virtuous spiral; it remains to be seen whether the trade figures due to be published at the end of the week push in the same direction.

More coal than can be burnt

IT IS disappointing to find the Energy Secretary putting in pressure on the Central Electricity Generating Board to burn more coal in its power stations than the board believes it to be in its commercial interests to burn, so soon after the Government issued a White Paper in which it undertook to put its relations with the nationalised industries on a more regular footing.

Convinced

The occasion for Mr. Wedgwood Benn's intervention is the difficulty the Coal Board is facing in finding outlets for all the coal it is now producing. Output has risen under the impetus of the miners' productivity bonus scheme and, with coal consumption in the steel industry at a low ebb and the collapse of the proposal for an EEC subsidy for coal exports, the coal industry is looking to electricity, its biggest single customer, for help in avoiding further distortions to the structure of energy prices.

Staked

This appears to be precisely the kind of situation in which the issue of a specific direction, along the lines proposed in the recent White Paper, would be appropriate. If such powers were already in existence, Ministerial interventions would be subjected to both Parliamentary approval and a measure of financial discipline since the procedure would require Ministers to estimate the costs involved and pay compensation to the industry concerned. In this way, the respective responsibilities of board and Minister would be more clear.

As it is, the Government has placed a substantial stake on its judgment about the future pattern of energy demand. In addition to the coal industry's investment programme, it is currently subsidising the Coal Board's stocks, the prices of Scottish and Welsh coal, and the cost of building the second stage of the Drax B coal-fired power station ahead of time. Given the history of energy forecasts, it is only right that the public should be made aware of how much is being staked on the coal industry on their behalf.

OVER ONE-HALF of the large commercial jets now operated by the airlines of the non-Communist world were built by Boeing. But as the airlines enter another era of heavy capital investment in a new generation of aircraft which could involve their spending over \$700m (at current prices) in the next 10 years, Boeing is facing an immense task if it is to hang on to that market share.

The company, as well as its U.S. rivals McDonnell Douglas and, to some extent, Lockheed, can now reckon with a serious challenge for a large slice of that emerging market from, in particular, the European Airbus Industrie consortium.

With the announcement that three European airlines, Air France, Lufthansa and Swissair, have placed firm orders for the Airbus B-10—a 200-seater, wide-bodied jet—the consortium has become the first of the major aerospace contractors to launch officially production of a new generation of aircraft, directly competitive with designs Boeing is preparing.

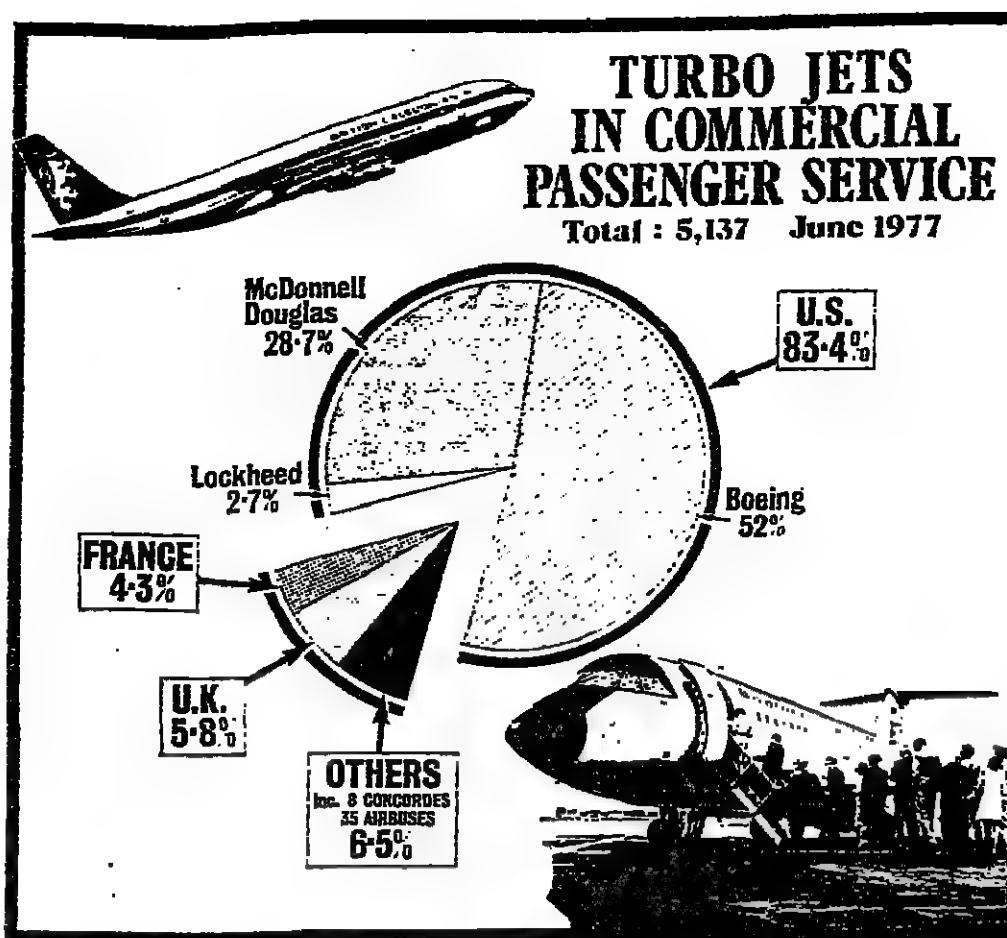
Earlier this year it was thought that by June Boeing, too, would be ready to announce a major order for new jets, with United Airlines expected to be the first customer. Such an order would give Boeing a base from which to launch its new generation of aircraft. That announcement has still to come even though Boeing has been working on designs for four years and currently has 1,000 top designers doing pre-production work. But United Airlines, the largest of the world's airlines, is now actively considering the purchase of the 200-seat B-10 rather than the rival Boeing jet—an order which could be worth \$260m.

Boeing itself is under no illusions about the threat. Mr. Joseph F. Sutter, vice-president of commercial product development for Boeing Commercial Airplane, remarked in an interview last month that the company was "under tremendous pressure" to officially launch its new aircraft programme. "If we postpone for two years the B-10 will be biting at our heels," he remarked. With the Airbus Industrie jet now rolling towards production and Boeing still waiting a firm order to launch its rival, that judgment is looking optimistic.

In addition to the now very real challenge from Airbus Industrie in the market for a new, medium-sized wide-body jet, Boeing is also facing the threat of strong competition for a new advanced narrow-bodied jet in which many world airlines are expressing interest. The position here is confused, to say the least, particularly in Europe. What is clear, however, is that Boeing will have to fight hard if it is to establish a strong position in the market. McDonnell Douglas is working on designs

Europe's Airbus: biting at Boeing's heels

BY STEWART FLEMING IN NEW YORK



Exxon Air World Survey 1977

for a potential rival, the Advanced Technology Medium Range (ATMR) transport. There is growing support within the UK for collaborating with McDonnell Douglas on this project rather than with Boeing on the proposed 787 and there is the possibility that a European rival, the Joint European Transport (JET), could be launched, perhaps under the aegis of Airbus Industrie.

Technological leaps

It is not just foreign competition, however, which suggests that Boeing will have to battle to retain its dominance of world jet markets. Its position was founded in the early 1950s with its launch of the most successful of the first big passenger jets, the 707, and reinforced (in terms of market share if not initially profits) when it led the way into the wide-bodied Jumbo jet era with the 747. Both initiatives were based on technological leaps in engine design and aircraft construction which offered first extra speed, then size and thus potentially big gains in productivity for the airlines.

But as aerospace industry analysts, such as Mr. John Simon of Los Angeles stock brokers Crowell and Woodson, point out, the new generation of jets now ready to come off the drawing board and into production offer no great technological and productivity ad-

vances to encourage airlines to order them.

This fact, coupled with the recent financial weakness of some major airlines and memories of how badly the industry misjudged demand in the early 1970s, are combining to make both the aerospace companies and the airlines cautious about the new jet programmes.

Thus only Boeing is on the verge of undertaking an ambitious programme of launching completely new medium-sized jets, at a cost of perhaps \$440m in terms of development, tooling and inventory. Some aerospace analysts suggest that Boeing's reasons for so actively considering this option in part reflect the fact that, unlike its rivals, it cannot modify its existing designs—particularly the 747—in order to get into the market for a 200-seat aircraft which seems to be emerging. The cheaper option of launching a derivative of an existing wide-body such as the B10 or a smaller DC10 or TriStar is not open to it.

Neither the airlines nor the aircraft manufacturers need much reminding of the risks of launching new jets. Recent aviation history provides ample evidence of the dangers of miscalculation and Boeing's experience in the early 1970s is part of that history. None of the wide-bodied Jumbo jets which came into service at the beginning of the decade for example has proved to be a money spinner. At one

extreme of course is the TriStar which came close to killing off Lockheed Aircraft. Boeing's problems were less catastrophic but still salutary.

Boeing launched its 747 Jumbo jet in 1969 just as new orders for all commercial jets (particularly in the U.S.) began to nosedive. The prospects of covering the heavy front end development, tooling and inventory stock of the 747 from big sales in the early years of the programme evaporated.

The company's optimistic forecasts had led it to build up its workforce to 101,000 in 1968. The ensuing crisis forced it to scythe away at its operations, cutting the work force to 44,000 by 1971.

Simultaneously its net profits which had topped \$85m in 1968 slumped to only \$10.2m on sales of \$2.8bn in 1969. It was not until 1976 that profits recovered (in money terms) to top the 1968 level. In the past two years, with rising deliveries of planes such as the phenomenally successful 727 whose front end costs have been covered by long production runs, Boeing's profits have improved dramatically. Last year profits hit \$180m on sales of \$4bn. After a further sharp rise this year some analysts, including, for example, Mr. Edmund Greenleaf of Merrill Lynch, are forecasting profits of \$90 a share or around \$380m in 1978.

The company's share price has responded dramatically to these prospects. At the beginning of the year the stock was selling at

\$28½, having hit lows in single figures as recently as 1975. Currently, the stock has almost doubled to around \$54, where it is selling at a multiple of close to 12 times earnings.

It is only now, however, analysts say, ten years after its launch, that the company will begin to see the 747 turn into a profit spinner. Some worry that history will repeat itself and that the \$44bn or so which the company will need to spend to develop and launch two new wide-bodied jets—known as the 787 and 777 at this stage—could eat into profitability.

Analysts expect that Japanese and Italian interests with which Boeing is negotiating will each take a 15 per cent stake in the programme, and might be asked to absorb a further \$1.3bn of costs.

There is broad agreement among the U.S. aircraft manufacturers about the outlines of the market they foresee for new jets in the 1980s, but considerable variation in opinion about how to fill it.

So far as the size of the market is concerned, the companies point out that hundreds of the existing world commercial jet fleet of some 5,100 aircraft were built up to 1975.

The average age of the United Airlines fleet is now over ten years. Many of these old aircraft (the early 707s and DC8s for example) have low productivity. They are small (two thirds of United's fleet have fewer than 130 seats), have engines some 40 per cent less fuel efficient than today's high by-pass ratio (more fuel efficient) jets and, critically for the U.S. market, they will not meet new U.S. noise standards coming into effect in 1985.

Factors such as these have led Boeing to predict that over the next decade a market for new aircraft of some \$74bn will be available with about 40 per cent of the total for replacement of ageing, noisy and inefficient jets now flying, and the remainder to accommodate the growth of traffic.

Two new aircraft

But while Boeing's U.S. rivals are thinking mainly in terms of derivatives—the B-10 too is a derivative of the A-300-B—Boeing's challenge for this market will be through two new aircraft, assuming it gets a major order to kick the programme off. The general expectation is still that Boeing will announce the formal launching of the programme later in the year.

Boeing clearly feels that by launching a new "family" of aircraft it will be able directly to match the market and provide airlines with the flexibility of size and range to suit their needs, and assure the company

pressure.

MEN AND MATTERS

Some crumbs to comfort the Co-op

With little fanfare, "an historic moment" has occurred and a "new generation of Co-operatives" is being ushered in. So I learnt yesterday from the Co-operative Party, and so Lord (Bert) Oram is likely to confirm today when the former Labour - Co-operative MP, becomes the first president and first member of the staff of the Co-operative Development Agency.

In Parliament this agency has been welcomed by one MP "on the basis of one slice being better than no bread", but David Wise, secretary of the Co-operative Party, was quick to assure me that it is in fact a "whole loaf." It will have £1.5m to cover administrative expenses for the next three years: the government expects it then to be sustained by Britain's co-operative movement. Wise told me that he thought larger sums were not needed: more important is to help would-be co-operatives to find viable projects and to point them towards finance.

When I asked him why workers' co-operatives had such a clouded image, he said that regrettably they were often formed as a last resort making a high percentage of failure likely. "The good prospects are reaped off beforehand," he said that the Scottish Daily News, Meriden and KME radiators were not good examples and insisted that in the last century workers' co-operatives had been in new industries. He said that today's main problem is capital.

What about the Co-operative Bank? I asked. Wise told me that this had to operate by normal financial rules and needed collateral and prospects of significant capital appreciation. A spokesman for the bank later told me that it thought it understood the needs of co-operatives and would be making



"However, looking on the bright side, truancy should cut that by half!"

an announcement on the bank's role today. He added that the organisation, Industrial Common Ownership Finance, had funds for investing in co-operatives. This has evolved from the successful Scott Bader Commonwealth co-operative and in 1976 was given official status by parliament. It has since made loans totalling £120,000.

Starry eyes

Now it can be revealed. The world economic recession was not caused by the rise in oil prices, the end of the Vietnam war or governments printing too much money. It was provoked by the malign influence of Saturn—and the good news is that after July 26 Saturn will be lodged in Virgo.

The magazine *Midnight Horoscope* may be unknown to Denis Healey, but it is the word of Horoscope that for galaxies of readers here and in America. The latest issue explains that in economic terms Saturn lowers production, reduces profits and investment,

cause inflation and upsets the balance of payments.

But Saturn's forthcoming entry into Virgo, reinforced by a shift of Jupiter which moves pulled out of the so-called into Leo, means that by the end of the year, production and investment will rise and unemployment fall. All that mars the good news is the revelation that with the 1980 U.S. election "the dreaded Zero Factor goes into effect: every President elected in a year ending in zero has died in office since 1840."

Even less united

Perhaps Dr. David Owen will not think it too unkind if I offer him, as a somewhat delayed 40th birthday present, news of yet another split among Rhodesia's black nationalists. This one is right on his doorstep, in the 300-strong London branch of Bishop Muzorewa's United African National Congress. Hot words are being exchanged between the branch and Byron Hove, who had a stormy three-week stint as Rhodesia's co-minister of Justice, Law and Order.

Barrister Hove was sacked at the instigation of Ian Smith and returned to London two months ago. He is once again at work in the courts, but Percy Murombe-Chivero, chairman of the UANC London branch, has launched a blistering, three-page attack on him in a party publication named "Focus on Zimbabwe." This charges him with "arrogance" and "opportunism," not to mention the sin of talking to journalists about his sacking before briefing the London UANC members.

Mr. Hove, angry about the attack, has complained to the UANC national executive in Salisbury. Unrepentant, Murombe-Chivero—who works for London—says that Mr. Hove may be "disciplined" by the branch for refusing to meet it. The bishop will have to move warily to avoid a far bigger split. Dis-

sension in the ranks is reflected in the attack on Mr. Hove, by this sentence: "As far as we are concerned, we should have pulled out of the so-called into Leo, means that by the end of the year, production and investment will rise and unemployment fall. All that mars the good news is the revelation that with the 1980 U.S. election 'the dreaded Zero Factor goes into effect: every President elected in a year ending in zero has died in office since 1840.'"

Sea spree

No longer will Belgian and French bargain shoppers have to brave the Channel. In a fortnight's time the Gournay-based company, Channel Cruise Line, is launching its marine shopping arcade. An ex-Sealink ferry has been bought and reconvered for around £2m, to sail several times a day between Ostend and Dunkirk. On this 25 a head, three-hour floating shopping spree, returning by bus to their original port, passengers will be able to stock up with cashmeres and confectionery, shoes and smoked salmon, Barberrys and butter—all at British prices without VAT. Belgian customs say that goods costing up to £100 can normally be imported free of duty and VAT. Only on alcohol and cigarettes will usual duty allowances still apply.

The company's marketing management consultants, say that ships of this type already operate in the Baltic. They think the venture will not only provide a day's outing but also a promotion for British goods. In the three days since the publicity started to appear in Belgium, 700 bookings have been taken for the first trip.

Spelling it out

Official "notes for guidance" on economic matters, prepared for the chairman of the European Council after its last meeting, stress the important role in international trade of "the GATT multilateral trade negotiations."

Observer

The Royal Navy
The Merchant Navy
The Royal Marines
Our Fishermen



Their disabled
Their pensioners
Their widows
Their children

King George's Fund for Sailors looks after them all

In this Country of ours, there is no-one who is not connected with the sea.

Half the food we eat comes from across the sea. Many thousands of us, our relatives or friends are past or present members of one of the sea-faring services, or of an industry dependent on them.

There are many charities for seafarers and their families. One, only one, however, is the central charity, charged with collecting and providing funds for all other seafarers' charities, and with making sure that the money is distributed where it can be of most use.

That central charity is King George's Fund for Sailors. Launched in 1917 at His Majesty's personal wish, KGFS distributes funds without distinction of service, of rank or of creed. The sole criterion is to distribute the money to the areas of greatest need.

When you want to remember our seafarers who are in need, remember King George's Fund for Sailors. We'll see to it that not one penny of your money goes to waste.

Please send your donation to:-

KGFS
King George's Fund for Sailors
1 Chesham St., London SW1X 8NF

THE FUND FOR CHARITIES THAT SUPPORT SEAFARERS IN NEED AND THEIR FAMILIES

COMPANY NEWS + COMMENT

Wilkinson Match up 15.9% to peak £14.3m

PRE-TAX profits of Wilkinson Match rose by 15.9 per cent from £12.35m to a record £14.3m, on turnover up by nearly £10m, to £102.3m, in the March 31, 1978 year.

Mr. Denis Randolph, chairman, says that much of the increase came from the UK, and there was a marked improvement in the group's international match and safety and protection businesses.

He adds that profits are in line with the forecast of some £14m, made at the time of the acquisition of True Temper, a wholly-owned subsidiary of Allegheny Ludlum Industries of the US which owns 44.3 per cent of Wilkinson's capital.

Although directors feel that trading conditions remain difficult, he says that the group should continue to make steady progress, and that the acquisition of True Temper will add further to growth.

He adds, in the second half because of the seasonal nature of the group's business.

At half-year, directors reported pre-tax profits ahead from £8.03m to £7.22m.

Difficulties were experienced in personal products, caused by a combination of considerable once-for-all costs in the shaving business in the US, and Italy, launch costs of new products in Australia and Germany, and increased spending on product development, the chairman explains.

Basic full-year earnings per 11 share are shown as 22.85p (20.18p) and 21.06p (18.81p) fully diluted. The dividend is increased from 8.3125p to 10p net with a final payment, based on a 33 per cent AGT charge, of 8.2125p. Directors say that if new legislation restricts dividends the maximum allowed will be paid.

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UDS looks for good increase

IN THE first 22 weeks of the current year, sales by UDS Group showed an increase in excess of 20 per cent over the same period last year, the chairman, Mr. Bernard Lyons, said at yesterday's annual meeting.

All divisions had produced significantly higher profits and he was confident that profit for the current half year would be well ahead of the same period last year. The outlook for the full year was "distinctly favourable," he said.

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Record £1.6m at Ratners

AFTER A loss of £116,179 from the Netherlands, taxable profit of Ratners (Jewellers) climbed from £1.41m to a peak £1.59m in the April 6, 1978 year on turnover up from £11.22m to £12.55m.

At half-year, when profit was ahead from £0.38m to £0.22m, directors anticipated a higher profit for the full year.

They now say sales in the current year have continued their upward trend and they therefore look forward to a further growth in profit.

Mr. J. J. Ratner, chairman, says that the group's properties exceed the book value by some £2.63m, but this has not been included in the accounts.

After tax of £151,888 (£186,532) and extraordinary credit of £25,110 (£233,478) retained profit is shown down from £1.32m to £1.39m. Comparative figures have been restated for ED 19 and changes in the bases for depreciation.

Directors state that there has been a change in accounting

policy, and comparisons have been restated.

The ultimate holding company is Corning Glass Works of US.

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Textured Jersey well ahead

PROFITS BEFORE tax of Textured Jersey rose sharply from £125,000 to £276,000 in the year to April 30, 1978, ahead of the February forecast of at least £212,000.

With first-half profits up from £52,000 to £106,000, the directors said results for the second half would not be less than those for the first six months. They now say that in spite of the current substantial increases in the price level of synthetic fibres, a material improvement in profitability is anticipated for the current year.

Earnings per 10p share are shown at 4.2p (2.9p) and the final dividend is the forecast 0.5p making 1p for the year—the group returned to paying ordinary dividends in February after an absence of four years.

Turnover amounted to £7.32m against £7.28m. Profit is struck after depreciation of £287,000 (£244,000). Interest payable, £22,000 (£124,000) and before tax, £109,000 (nil). ED 19 has been adopted and corresponding figures have been amended.

The directors say the group improved significantly in 1977-78 both in terms of profitability and liquidity.

In spite of difficult conditions in the knitted fabric market, Textured Jersey has continued its recovery trend from the last making years of 1974 and 1975. Full-year profits have more than doubled and margins jumped by almost 31 points to 4.8 per cent in the second half 10 per cent in 1973. Although there is still some way to go, the increase implies that the policy of diversifying out of the clothing sector into house-hold fabrics—which has been showing annual profits growth of around 15 per cent for the past seven years—is proving successful.

But Jersey knit is still the company's mainstay and this is being supported by a range of new products to customers such as Marks and Spencer. Conditions remain tough, but the fact that TJ has survived the slump—which has put so many others out of business—means a potentially bigger market share for the future.

A stronger cash flow is reducing borrowings and with current trading and standing orders both showing an improvement, TJ could make a full recovery in the current year. At 30p the shares are on a par of 7 while the yield is 3.1 per cent. This compares with 8.8 and 8 per cent respectively for the textile sector as a whole.

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DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Danae Inv. Trust 2nd int.	1.75	Aug. 25	1.03	2.1	2.83
Gen. Comsol. Trust, Int. 13	Aug. 7	1.3	—	3.73	—
J. & H. B. Jackson, Int. 0.3	Sept. 4	0.41	—	0.91	—
MacPherson, Int. 1.3	Sept. 4	0.54	—	2.63	—
Marling Inds., Int. 0.63	Oct. 6	0.47	1.13	0.9	—
Neil & Spencer, Int. 1.13	Oct. 2	0.61	—	1.99	—
NMC Inv., Int. 1.43	Sept. 4	1.3	1.43	1.3	—
Ratners, 2nd int. 0.23	—	—	0.14	0.33	—



VIOHALCO

Group of Companies

ATHENS - GREECE

The Annual General Meeting of the Holding Company, VIOHALCO, S.A. was held in Athens on June 30, 1978 and those of the major industrial companies in which it holds a direct or indirect interest took place between June 27 and June 30, 1978.

The following is a summary of their annual reports for the year ended December 31, 1977.

VIOHALCO, S.A.

The major companies in which VIOHALCO holds a direct interest include STEEL WORKS OF NORTHERN GREECE, S.A. (91.4%); VITEM METAL WORKS, S.A. (31.4%) and ALUMINIUM OF ATHENS, S.A. (17.3%).

Through these companies the VIOHALCO Group maintains a close financial and technical co-operation with the Groups of BRUXELLES LAMBERT (Belgium), PHELPS DODGE (USA), SIEMENS (Germany) and PECHINEY (FRANCE).

In accordance with the provisions of Law No. 542/77 for the revaluation of company land and buildings of Greek companies and the corresponding increase of their share capital, VIOHALCO, S.A.'s revaluation surplus plus the capitalisation of part of its reserves from the issue of shares above par value amounted to Dr.54,671,350. Consequently, the Company's share capital was doubled to Dr.109,342,500 and the number of shares was also doubled from 298,750 to 597,500, the nominal value of the shares remaining unchanged at Dr.183 per share.

The application of Law No. 542/77 to VIOHALCO, S.A.'s subsidiary companies, plus its new participations in other industrial and commercial enterprises, resulted in an increase of Dr.58.4 million in the Company's financial holdings.

Net profit, after deduction of dividend taxes, amounted to Dr.136,246,213 and, together with Dr.47,724,012 from a special reserve, net, also, of dividend taxes, the total amount for distribution, including last year's small balance, was Dr.184,298,556. Of this, Dr.11,100,000 were allocated to the ordinary reserve and the rest for a gross dividend of Dr.480 per share. As the number of shares has been doubled, this dividend is an improvement over last year's dividend of Dr.740 per share.

SIDENOR - STEEL WORKS OF NORTHERN GREECE S.A.

An Extraordinary General Meeting of the Company held on December 18, 1977, it was resolved to add the title "SIDENOR" to the Company's name in order to distinguish it more clearly from similar enterprises in Greece and facilitate transactions in general.

The continuing depression in world markets caused the Company's exports to remain on the same levels as in 1976 (58,754,000 compared with 56,000,000 in 1976). These were achieved mainly during the first half of the year.

Investments amounted to about Dr.69 million compared with Dr.50 million in 1976. They were absorbed mainly by complementary anti-pollution installations and improvements for increasing the capacity of existing plant machinery. Other expenditures went towards new buildings and the supply of various auxiliary machines.

This year, the Company will invest about Dr.100 million in further improvements to existing installations and in the addition of new and auxiliary equipment.

The Thessaloniki works increased production by 3% and total sales increased by 13% both in quantity and in value.

In accordance with Law No. 542/77 the Company's share capital was increased from Dr.218,925,000 to Dr.238,387,500 by increasing the nominal value of each share from Dr.1,000 to Dr.1,500.

After deduction of dividend taxes, net profit amounted to Dr.135,786,324 of which Dr.114,709,342 were allocated for a gross dividend of Dr.896 per share and Dr.31.7 million to the ordinary reserve.

VITEM METAL WORKS S.A.

Although the international demand for copper products rose in 1977 compared with 1976, prices were generally lower. On the other hand, the home market continued to improve. Home sales to the private sector increased by about 5% in value and 1% in volume while state purchases increased by 76% in value and about 67% in volume.

Exports amounted to about 7,860,000 compared with 5,408,000 in 1976, marking an increase of about 40% in value and 34% in volume.

New investments in 1977 amounted to Dr.18.7 million approximately and consisted mainly in further additions and improvements to rolling equipment and the purchase of new auxiliary machinery.

In accordance with Law No. 542/77, the Company's share capital was increased from Dr.233,335,000 to Dr.258,001,700 by increasing the nominal value per share from Dr.1,000 to Dr.1,020.

After deduction of dividend taxes, net profit amounted to Dr.48,861,728 of which Dr.43,385,586 were allocated for a gross dividend of Dr.316 per share and the balance allocated to the ordinary reserve.

HELLENIC CABLES S.A.

A Subsidiary of VITEM S.A.

The slack market conditions noted in 1976 continued in 1977. On the home market, however, there was a higher demand even though prices remained at low levels. Total sales increased by about 4% in value and 10% in volume. On the home market sales to the private sector increased by 10% in value and 14% in volume while state purchases rose by 15% in value and 16% in volume.

Exports fell from 810,382,000 in 1976 to 58,990,000 in 1977, i.e. by 10%, while the export volume rose by about 3%.

Investments amounted to about Dr.5 million consisting mainly of automated equipment.

In accordance with Law No. 542/77 the Company's share capital was increased from Dr.160,000,000 to Dr.187,760,000 by increasing the nominal value of its shares from Dr.1,000 to Dr.1,238 per share.

After deduction of dividend taxes, net profit amounted to Dr.9,816,202 and, together with Dr.8,025,600 from a special reserve, net, also, of dividend taxes, the total amount for distribution, including last year's small balance, was Dr.17,841,802, of which Dr.16,507,200 were allocated for a gross dividend of Dr.131 per share and the balance to the ordinary reserve.

ALUMINIUM OF ATHENS S.A.

The improvement in the world market for aluminium noted in 1976 continued in 1977. The same can be said for the home market where increased building activity and the steady expansion in the use of aluminium in buildings produced satisfactory results, in spite of the keen competition in this field.

Total sales, consisting mainly in profiles (the transfer of the aluminium rolling branch to ELVAL having been completed) were reduced by about 1.5% in value and about 21% in volume. More specifically, home sales declined by 7% in value and 27% in volume while exports rose by about 15% in value and declined by about 7% in volume, totalling 57,212,500 compared with 56,446,000 in 1976.

Investments amounted to about Dr.45 million and consisted mainly in the completion and operation of the anodising unit. Also, certain improvements and conversions were made to the extrusion facilities resulting in a marked increase in production capacity and the ability to produce profiles of a larger diameter.

In accordance with Law No. 542/77, the Company's share capital was increased from Dr.140,250,000 to Dr.173,910,000 by increasing the nominal value of its shares from Dr.1,000 to Dr.1,240 per share.

After deduction of dividend taxes, the Company's net profit in 1977 was Dr.18,911,918 of which Dr.74,329,913 were allocated for a gross dividend of Dr.905 per share, and the balance to the ordinary reserve.

ELVAL S.A.

A Subsidiary of ALUMINIUM OF ATHENS S.A.

The world market for rolled aluminium products was strong during the first half of the year but began to decline thereafter, particularly during the last quarter. The home market, however, was satisfactory, in spite of the competition in this field.

Total sales marked an increase of 30% in value and 16% in volume. This was mainly due to exports achieved during the first six months of 1977, the home market having remained static. Exports increased from 111,818,000 in 1976 to 219,393,000 in 1977 or by about 62% in value and 35% in volume.

New investments in the Onophyta plant amounted to about Dr.85 million, consisting mainly in the completion of the new foundry and in the installation of auxiliary machinery aimed at increasing the plant's production capacity and further improving the quality of its products.

In accordance with Law No. 542/77, the Company increased its share capital from Dr.181,000,000 to Dr.210,141,000 by increasing the nominal value of its shares from Dr.1,000 to Dr.1,161 per share.

After deduction of dividend taxes, Net profit amounted to Dr.31,115,705 of which Dr.27,958,070 were allocated for a gross dividend of Dr.271 per share and the balance to the ordinary reserve.

BOARD OF DIRECTORS OF VIOHALCO, S.A.

President: Mr. Stassinopoulos, widow of M. Stassinopoulos; Vice-President: Mr. Nicholas N. Stassinopoulos; Directors: Messrs. Evangelos M. Stassinopoulos; Charalambos Tsolinas; Evangelos Karambetos; Willy Faulstich; Leopold Blampain.

STREETERS OF GODALMING

Finding out the hard way

BY TERRY OGG

The annual meeting of Streeters of Godalming lasted just 14 minutes yesterday, undisturbed by any questions from shareholders.

The mood was set by the chairman, Mr. E.A. Streeter, who at the opening of the meeting restricted questions to matters concerning the UK operations.

This ruled out discussion of Monday's announcement of a "marked deterioration" in the group's 40 per cent-owned Saudi Arabian associate company since the annual report was issued on June 13.

Streeters said that "prospects in Saudi Arabia are much improved." But on Monday it reported that a contract in Riyadh had been drastically cut back, reducing the share of work expected by the associate from £10m to between £3m to £5m.

Problems over work permits were leading to serious production problems.

The only comfort which Mr. Streeter has to offer yesterday was that material information will continue to be announced and circulated to shareholders at the appropriate times. But he said that Streeters' public work contractor specialising in sewerage and pipeline construction, has run into trouble as a result of difficulties with one of its large contracts.

Streeters said that the company's 1977 two years after it went public it ran into the red when work in Coventry went sour. Again in 1974 it produced a loss as a result of a sudden and unexpected downturn in the UK workload.

Like a number of other contractors faced with a shrinking

order book at home, Streeters saw the Middle East as a potential profit spinner. With the dramatic growth in construction activity following the oil price increase, Saudi Arabia was a powerful magnet. The total cost of projects to which the Government has been committed during the current five year plan has been put at £45m.

However, relatively few UK companies have attempted to tap this market. In a timely note last December, brokers E. E. Savory Milin and Co. listed the reasons for this generally cautious approach. There are many well established local contractors, some of which are comparable to companies of Wimpey's strength.

There is already a close relationship with the U.S. Tender conditions are onerous with on-demand bonds and an insistence on fixed price contracts. And there are also immense social, physical and administrative problems - as Streeters seems to be finding to its cost.

After reporting profits in the first year of operations, Streeters met mounting problems on a sewerage contract in Jeddah involving secondary house connections to main drains. Last winter Savory Milin suggested that it was having difficulty securing further work contracts.

By June, work had started on the £10m contract in Riyadh, but this has now been slashed back. The contract stood only two fifths below the year's high point at 22p where the market capitalisation is £14m.

BIDS AND DEALS

W. L. Pawson paving the way for substantial expansion

THE SHARES of W. L. Pawson, the women's clothing group, were suspended at 42p yesterday while the new chairman, Mr. Stanley Woolfitt, organises the key moves which will fulfil his promise of substantial expansion for the company.

His plan revolves around a reverse takeover for £1.7m in cash of C. H. Bernard and Sons, a family owned company which manufactures and retails military and civilian uniforms in the UK, Malta and Gibraltar.

Bernard has a manufacturing base in Harwich, plus 33 retail outlets in the UK, two in Malta and one in Gibraltar. With net tangible assets of £1.7m on January 31 it is considerably larger than Pawson.

In order to finance the takeover (which has already been approved by Bernard's shareholders) Pawson intends to raise around £1m via a rights issue and the remainder through a medium term loan from its bankers and financial advisers, Messrs. Ullman.

The details of the issue have not yet been finalised but it is thought that the directors (who own just over 50 per cent of the company) will take up only part of their entitlement and invest the remainder through a trust of Messrs. Keyser will take up the remainder of their rights. The other half of the issue is likely to be underwritten by stockbrokers Capel Carter, Meyers and Henry Cooke Lumsden.

Pawson, which last year cut its losses from £140,000 to £20,000, is buying Bernard, a time when profits have collapsed from £235,000 in 1976-77 to £68,500 for last year.

Mr. Woolfitt, who was formerly managing director of the former Reed carpet and textile group until last year, now believes he can pull up Bernard's profits again creating the basis for major expansion.

In the last few months he has also paid £88,500 for Wilberforce, a chain of 14 general outfitters shops in Yorkshire, and £50,000 for a further, J. Teis.

Only last November Pawson

raised £398,000 in a one-for-one rights issue intended to reduce borrowings and finance higher working capital requirements. Now the 500 or so shareholders are to be asked to raise more capital.

In the meantime the shares are likely to be suspended for some months as Pawson will need to produce a pro forma balance sheet showing what sort of a company it will be after the acquisition.

CUSTOMAGIC UNCONDITIONAL

Moolay Investments' £1m bid for Customagic - certain features of which the City Take-over Panel has said constitute a serious breach of the Take-over Code - was yesterday declared unconditional.

The bid went unconditional after Moolay announced that it had received acceptance from 56 per cent of the shareholders.

Earlier yesterday, with acceptances at the 53 per cent level the group had planned to extend its offer to 75 per cent.

Last week Moolay accepted the Take-over Panel's ruling that it should increase its bid by a penny to 21p a share - and that the company should not pay a £28,621 fee to Gras d'Eau Consultants for securing the acceptance of certain Customagic shareholders.

The Panel is to make a further statement shortly.

A spokesman for Grindley Brandt, advisers to Customagic, said last night that the level of acceptances in one respect was encouraging given that Moolay had started with a committed 47 per cent stake. He said that a full statement from Customagic was expected today.

UNILEVER

National Starch Chemical Corporation and Unilever are commencing the mailing of proxy and exchange offer documents con-

cerning Unilever's £485m offer for National Starch.

The transaction will be voted upon by National's stockholders at a special meeting scheduled for August 15.

BRITISH LANDS' £1.2M BUY

British Land has acquired CQC manufacturer in Barnstable of specialised made-up textiles and protective clothing for defence, for £1.2m cash.

British Land said it had acquired the company through J. H. Greenwood (Holdings), knitwear manufacturer.

Out of the consideration, £75,000 was payable immediately upon acquisition and is represented by net assets of that amount, consisting largely of the value attributable to the factory in Barnstable of 46,000 sq ft.

A further £450,000 is payable immediately upon completion of the warranted profits for the year ending March 31, 1978, of £480,000 before tax.

Mr. Norman Goldwater, who has been with CQC since 1966, will remain as managing director.

MANCHESTER AND LONDON INV.

Manchester and Metropolitan Investment Trust is to receive £1.2m in the form of a loan from the City of Manchester and London Investment Trust amounting to £41,447 ordinary shares (54.05 per cent). The offer is now unconditional and remains open.

HARDY FURNISHERS

Hardy and Co. Furnishers, has sold its leasehold interest in premises in Portland Place, London, for £202,500 cash.

The leasehold interest, which originally cost £33,333, was last professionally valued in April, 1977, as being worth £140,000.

Mr. Walker, chairman of the company, said the sale will strengthen the performance of the group as a whole.

The volume of group orders in the UK has, in the current year's opening phase, been compatible with the normal level of activity. In the North American group, however, in other overseas companies the level of demand has been encouraging.

The directors will continue to develop and take opportunities when and where they arise, says Mr. Walker.

As reported on June 24, taxable profits for the year to March 31, 1978, although down from £7.63m to £7.14m, bettered the forecast profit by 26.6m.

Mr. Walker reports that the year was one of varying fortunes which were affected by the movement in exchange rates as well as by taxation factors. Some 75 per cent of the group's trade is overseas.

In trading terms activity remained at a high level and continuing technical change in products and methods of production was also an element in a demanding year.

As foreseen at the time of the rights issue in June 1977 the group invested substantially in new plant. Expenditure during the year is broken down as follows: UK and other countries £2.3m; North America £1.5m.

A further £2m of expenditure is in process for which finance is in hand. This expenditure represents a continuing programme of factory reorganisation and of continuing development.

The directors are of the opinion that, taking into account bank and other facilities, the group as a whole is in a strong position to meet its present requirements.

A statement of source and application of funds shows an increase in working capital of £2.1m (£5.55m).

On a current cost basis pre-tax profit is shown at £8.06m, after adjustment for additional depreciation of £1.2m, cost of sales £9.24m, and gearing 23.45m.

Prudential Assurance Company holds 6.13 per cent of the group. The AGM will be held in Blackburn on August 4 at 11.30 am.

MINING NEWS

Jump in quarterly gold profits

BY KENNETH MARSTON, MINING EDITOR

BOOSTED profits for the June quarter are announced by the production of gold producers in the Consol-aided Gold Fields group. While Vlakfontein's profit has jumped the price of bullion during the period was only a little above the average of \$173 per ounce.

Received by the mines in the previous three months, the higher profits reflect a once for all bonus arising from South Africa's new arrangements for the payment of gold delivered by the mines.

Previously, the mines were paid the official price of \$425 per ounce and later received the premium obtained on the subsequent sale of the gold. This resulted in a time-lag of one to two weeks. As from April 11, however, the mines receive a market related price at time of delivery. Thus the revenue received in the past three months has included the premium due on the payment of gold delivered in the March quarter.

The beneficial effect on the past quarter's profits is most marked in cases of the more marginal mines. Venterspost, for example, made a net profit in the quarter of only £125,000 and this after the receipt of £1,197,000 state aid.

In the past three months, however, the net profit has jumped to £1,525,000 after a repayment of state aid amounting to £150,000. In this case matters

have also been helped by higher production resulting from an improved gold grade. Vlakfontein's profit has jumped by 179 per cent.

Kloof also comes out well, especially as operations were restored to normal following the underground fire. Higher production coupled with lower costs and the gold payment bonus have lifted the past quarter's net profits by 46 per cent. Earnings of Duomo's have risen by 47 per cent in the past quarter but those of the high grade West Driefontein show a more modest gain of 20 per cent.

The latest quarterly net profits are shown below.

	June	March	Dec.	Qtr.	Qtr.	Qtr.
Consolidated	2,000	2,000	2,000	2,000	2,000	2,000
West Driefontein	2,000	2,000	2,000	2,000	2,000	2,000
Kloof	1,134	7,423	6,325	1,134	7,423	6,325
Venterspost	1,134	7,423	6,325	1,134	7,423	6,325
Vlakfontein	435	138	230	435	138	230
West Driefontein	2,000	2,000	2,000	2,000	2,000	2,000
Loss, after receipt of State aid	2,000	2,000	2,000	2,000	2,000	2,000
After state aid repayment	2,000	2,000	2,000	2,000	2,000	2,000

Libam, which reports a 27 per cent gain in the past quarter's net profit, warrants that the reserves of the mine will soon become available for mining and this will reduce the value of the ore reserve which thus becomes more vulnerable to

The reserve is currently estimated at 1.7m tonnes at a

grade of 20.7 grammes gold on the basis of gold prices of R4200 per kilogram (\$158.50) compared with a year ago with 21.8m tonnes at 19 grammes on the basis of gold at \$2,300.

SUNGEI BESI DOING WELL

Malaysia's tin-producing Sungei Besi, which is now enjoying better times after a somewhat chequer career, is expected to again increase production in the current year to next March with the Ho Fat open-pit being by far the most important producing unit in the year to last March.

Sungei Besi produced 1,917 tonnes in concentrate compared with 1,497 tonnes in 1976-77. This increase, coupled with a higher price, resulted in a net profit of \$88,500 compared with a loss of \$15,170 in the previous year. Mr. Junus Sudin, the chairman adds in the annual report that ore reserves at Ho Fat are only sufficient to allow production at the present rate to continue until the end of the current year and warns that the risks of valuing should not be ignored.

It is intended to raise a new issue of 300,000 shares in the third quarter of the current year. He estimates that at current cost and tin prices the ultimate value of the Ho Fat mine will be about \$100 million.

Sungei Besi shares were unchanged at 22 1/2 yesterday.

Ranger uranium sales deals

THE FIRST TRANCHE of sales contracts for the Ranger uranium project in the Northern Territory of Australia will be arranged soon, thus facilitating the raising of development finance, Mr. Bernard Fisk, the general manager for uranium development at Peko-Wallaseid said yesterday.

Peko-Wallaseid is a joint venture with Ranger with E.I. Industries and the Commonwealth Government of Australia.

Mr. Fisk, speaking at an international symposium arranged in London by the Uranium Institute, said that the Ranger project is expected to produce 100,000 tonnes of uranium per year.

The Ranger joint venture are still the only potential Australian producers empowered to sign sales contracts. But Mr. Fisk said that the Jabukwa deposit, owned by Pancontinental Mining and Getty Oil could start production within a year of Ranger coming on stream.

The Nabarlek deposit, owned by Queensland Mines, could come to production months earlier than Ranger, Mr. Fisk added. But Nabarlek is smaller. Its uranium production will be about 10,000 tonnes compared with 100,000 tonnes at Ranger.

Ranger's reserves are in any case expected to increase once detailed work resumes. Mr. Fisk said, indeed, he made the general point that the reserves of the Northern Territory could be several times greater than those announced so far. There is every reason to think that more reserves will be found.

This emphasises the importance of Australia in the world uranium supply-demand equation. Mr. Barry Lloyd, the general

manager of Ranger Development, told the symposium that over the next few years the bulk of all new uranium orders placed.

But, in common with other analysts at the symposium, he said that uranium prices were on a plateau. "The supply industry destined for a lean period over the next few years followed another period of rapid expansion as the long run still runs to a cyclical pattern."

Looking at the Australian situation in particular, Mr. Lloyd said that present market prices were high enough to encourage exploration and new mine development. It does not wish to disrupt the market by short-term price cuts, for to do so would be a cyclical pattern.

From Sydney, James Forster writes: The environmental impact study prepared by Western Mining Corporation for the Ranger deposit in Western Australia as that the potential export income from the mining operation was \$2,500m a year based on uranium oxide price of \$40 a lb. The study, published yesterday, took two and a half years to complete and stated that production was unlikely to start before 1980.

Advertising space and the improvement in the retail and transport activities says Mr. Andrew Beach, chairman.

The group pursued a policy of modest diversification during the year as it is considered wise to broaden the profit base in order that the group is not so dependent on profits from its newspapers.

Since the last AGM the group has acquired Morley Adams which supplies and distributes cross word puzzles.

The group has also acquired a 23 per cent interest in James Dixon and Sons (silversmiths) and negotiations are currently in hand which may increase the holding to 50 per cent.

As reported on July 5 group pre-tax profits expanded from £1.32m to £1.88m in the year ended March 31, 1978. An analysis shows: newspapers publishing and printing £1.48m (£1.18m), retail activities £0.36m (£0.19m), features and crosswords agencies £18,000 (£2,000) transport and vehicle repair £74,000 (£24,000) and sundry services lost £5,000 (£4,000), net interest paid £31,000 (£78,000).

The chairman says that in view of the difficulty of introducing a photo-composition and new technology, it has been resolved to write off the considerable cost of equipment which the group has been anxious to introduce but which has been resisted by the staff. This is a conservative decision from which the group will benefit at it is possible to introduce the use of this equipment at an early date.

At the year ended there was an increase of £41,000 in cash, £481,000 in short-term deposits and £193,000 in investments. Mr. Denis Hicks deputy chairman is to retire from the Board on reaching the age of 70. Meeting, Bristol, August 1, at noon.

NMC ahead at £181,769 - pays 1.43p

Pre-tax profit of NMC Investments advanced from £114,720 to £181,769 for the March 31, 1978, year after £25,502 against £29,514 at half-year.

The tax took £62,992 (£68,677) for the year, leaving a net profit of £118,777, or £1.43p per share. Before minorities £10,129 (£8,753) Earnings per 12 1/2p share are shown as 2.52p (0.88p) and the dividend is increased from 1.3p to 1.43p net.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Federal jury rules against Xerox

BY DAVID LASCELLES

THE first of many anti-trust and patent suits against Xerox Corporation to have reached the verdict stage, the pioneering plain paper copier maker has been found by a U.S. Federal jury to have maintained an illegal monopoly on its product. However, the extension of damages to which it might be liable—while still far from clear—was reduced by a separate verdict narrowing the scale of the monopoly.

The finding—on which Xerox filed immediate comment—came towards the end of the longest Federal jury trial in U.S. history in which Xerox faces damages claims of \$1.92bn by SCM, a diversified industrial company whose products include office copiers and Smith Corona typewriters.

The precise legal import of the jury's verdict and Xerox's damages liability should become clearer in the next day or two as

the Court reconvenes in Hartford, Connecticut, to consider these questions. However, the Judge in the case has said that unlike a previous anti-trust case brought against Xerox by the FTC, which was settled out of court, this one should establish for the first time whether Xerox broke the law or not.

The case is based on SCM's allegations that Xerox maintained an unfair monopoly of the plain paper copier market during the 1960's by buying its technology in a "thicket of patents"—some 1,700 of them—which prevented other copier makers from gaining access to it. SCM also complains of Xerox's alleged cartels with Rank Xerox in the UK and with its Japanese subsidiary.

SCM specifically claims that Xerox unreasonably refused it a licence in the mid-1960's which resulted in SCM losing over

\$500m worth of business. Under the anti-trust laws, SCM is claiming triple damages.

Xerox denied operating a monopoly, and said it had refused a licence because it believed the company was not equipped to make a success of the plain paper copier business.

The first part of the case—which began in 1973 and developed an awesome complexity—was settled in early June when the jury returned a partial verdict saying that while no identifiable market for plain and coated paper copiers existed in 1969, there was such a market in 1969. Proof that a market exists is essential to a successful monopoly charge.

With its latest verdict, the jury has said that Xerox operated a monopoly when the market existed, but that SCM did not have the intention or capability to enter the plain

paper copier business in 1964, the date from which the plaintiff calculates its damages.

The Judge also told the jury that there is no legal requirement that a company use any patents it obtains. But non-use of patents—which was established in Xerox's case—can be considered in deciding whether the company obtained these patents to develop its own products or to block the competition.

SCM was quoted as saying today: "The jury sustained basic SCM claims that Xerox had bought up and tied up plain paper copying patents, monopolising a whole industry. The jury's finding established that Xerox did violate the anti-trust law and that it was injured by these violations."

Xerox said: "We intend to take some time to analyse the findings before making any comment."

NEW YORK, July 11.

Mellon National ahead at half time

NEW YORK, July 11. MELLON NATIONAL announced net earnings for the second quarter of \$1.94 a share against \$1.87 cents previously. Total net earnings before securities transactions were \$28.4m, compared with \$27.2m. Net earnings after securities transactions totalled \$18.5m or 96 cents a share against \$17m or 87 cents.

For the first six months of the year, net earnings before securities transactions totalled \$30.1m or \$2.65 against \$33.7m or \$1.72.

Net earnings after securities transactions were \$27.5m or \$1.91 against \$33.4m or \$1.70.

Chicago Bridge ban

Chicago Bridge Iron said a Louisiana court has issued a temporary restraining order barring the company from soliciting shares of Bowan Corp., under Chicago Bridge's tender offer, worth some \$250m. AP-DJ

Beckman acquisition

Beckman Instruments has agreed to acquire the privately held Alex Scientific for \$25,000 common shares worth nearly \$10m. AP-DJ reports from Fullerton, Alex, based in Berkeley, makes liquid chromatography systems used to analyse chemical mixtures.

First Charter

Net earnings of \$26.2m, equal to 88 cents a share, are announced by First Charter Financial Corporation, for the second quarter of the current year, reports AP-DJ. This compares with \$25.8m, or 86 cents a share, previously.

Hyatt terms raised

Hyatt International's principal stockholders, the Frisker family, have increased their offer to acquire the entire public equity interest in the company from \$8 to \$9.50 a share. AP-DJ reports from Chicago.

Media General

June revenues of Media General, the publishing and broadcasting group, rose 12.5 per cent to \$19.8m compared with \$17.5m, the previous year. AP-DJ reports from Richmond.

Revenues for the first six months climbed 12.7 per cent, from \$103.2m to \$117.3m.

Upturn at General Cable

GREENWICH, July 11. MR. ROBERT P. JENSEN, the chairman of General Cable Corporation, said that the Board has raised the quarterly dividend in light of the company's earnings results and prospects. Operating results for the second quarter should show significant gains, with net earnings estimated to be up about 30 per cent over the 1977 period.

For the first six months, sales should total about \$360m and net earnings are estimated at \$15.5m to \$16m or about \$1 to \$1.05 a common share after dividends on preferred stock. AP-DJ

EUROBONDS DM issues turn lower

By Mary Campbell

THE DOLLAR sector was basically quiet yesterday as also were the London market foreign bonds. Another turn for the worse, following a marked weakening in the domestic capital market where the Bundesbank had to buy quite heavily to stabilise the market. Interest in London focused on the first day's trading for the Midland floating rate issue. The quotations were around 98 1/2 to 99 1/2 on the bid side having fluctuated somewhat in early trading.

The Boots convertible issue starts trading today. It was priced yesterday at par with the conversion price set at 210p per share, a premium of 6.93 per cent above Monday's closing price of 203p. This was about the same price as that at which the shares closed on the day the issue was announced (after the effect of dividend increase had taken effect).

In Germany, the final terms were fixed on the BfW two-tranche issue. The DM 70m convertible was priced at par with the conversion price set at 108 1/2 per share, a premium of 8.63 per cent over the current share price. The offering price for the fixed rate tranche—DM 30m—has been set at 99 1/2, a point above initial indications.

At the same time, the coupon on Izumiya's proposed convertible has been cut from the 3 1/2 per cent initially indicated to 3 1/4 per cent.

Although no confirmation is yet available, reports from Tokyo suggest that a new Euroyen issue may be launched in the early autumn. The borrower would be the Asian Development Bank and the lead manager Daiwa, which also brought forward the two previous Euroyen issues last year. The size of the issue is likely to be ¥150b.

The Japanese Ministry of Finance has prevented further Euroyen issues since last year since it wanted to concentrate Yen borrowing in the Tokyo market, offsetting the large capital outflows from Japan.

Peak demand pushes home loan rates to record level

BY STEWART FLEMING

NEW YORK, July 11.

THE COST of financing a new home in the United States has risen to the highest level since the Government began compiling statistics in 1963.

According to the Federal Home Loan Bank Board, the regulatory agency for the savings and loan industry, the average effective rate on conventional loans in June reached 9.46 per cent, up from 9.37 per cent the previous month. The overall cost includes certain initial fees which are averaged over ten years to arrive at the total interest cost.

Within this national average there are significant regional variations. Thus, earlier in the year, some savings and loan companies in California—which has been experiencing a phenomenal boom in the housing sector and soaring house prices—increased their interest charges on loans to ten per cent.

In spite of this high cost of borrowing on new homes, demand for housing continues strong, although judging from the trend of new housing starts, which have declined modestly

recently, there has been some easing.

In the past four years however, investment in a family house has been an increasingly popular option for Americans, apparently reflecting a growing recognition of the attractions of home ownership during an inflationary period.

Mortgage debt outstanding in the U.S. has been soaring as a result. In 1973 the total mortgage debt outstanding was \$682bn, by the end of 1977, the figure had increased to \$1,021bn.

The rapid rise in the cost of borrowing to purchase a house led to earlier forecasts predictions that demand for new homes would ease. It is widely predicted now, however, that unlike the situation during the 1974 credit crunch in the U.S., supply of mortgage funds will not this time dry up.

This is because over the past two years high rates of finance for lending institutions have evolved. Savings and loan associations and banks are now packing home mortgages and selling them to other financial institutions.

tutions in order to obtain new funds for lending. Moreover, earlier this year the Federal Reserve gave banks freedom to pay higher rates of interest on six-month savings certificates with a minimum value of \$10,000. Savings and loans are also offering these savings certificates, on which the rate of interest is linked to the most recent six-month Treasury bill issue.

The chairman for the Home Loan Bank Board, Mr. Robert McKinney, said yesterday that these new savings certificates "appear to have been a considerable help" to savings and loans in attracting funds.

While this suggests that the housing industry is less likely to be hit by a sharp decline in demand because of a cut in the supply of mortgage funds, some economists argue that these new initiatives are pandering to inflationary psychology and will lead to interest rates for home loans rising higher than in the past because of the higher cost of funds to the lending institutions.

Global Marine in profit

LOS ANGELES, July 11. GLOBAL MARINE's net earnings for the five months to end-May totalled \$2.3m, compared with a loss of \$1.8m for the corresponding period of 1977. The latest five months profit equals 66 cents a share. Revenue of \$43.7m compares with \$29.5m. The five-month results will be included in an amendment to the registration statement which he proposed offering of \$20m of senior subordinated debentures due August 1 1988. The issue is tentatively scheduled to be marketed later this month.

The net loss for the previous period reflected the effect of accounting changes which reduced the loss by \$274,000.

Mr. Robert F. Bauer, the chairman and Mr. C. Russell Luigs, the president, had previously indicated that earnings for the full year would be \$3.50 per share, contingent on delivery of the company's newest drilling vessel on or near its scheduled date. AP-DJ

AT & T hopeful on data plan

NEW YORK, July 11. AMERICAN Telephone and Telegraph said its proposed data communications service, advanced communications service (ACS), could generate annual revenues of up to \$600m by the mid-1980s.

ATT yesterday filed a petition with the Federal Communications Commission for a ruling on whether it can use existing digital facilities for the new service.

Meanwhile International Telephone and Telegraph Corporation said its ITT world communications unit filed to reduce rates up to 25 per cent for telex and leased channel services.

The filing was made with the Federal Communications Commission, and under the new rates current rates for telex calls from the U.S. and Hawaii of \$3 per minute will be reduced to \$2 per minute. Reuter

Doubts over airlines merger

A MERGER between Texas International Airlines and National Airlines could result in an improved, more profitable operation. But many question whether a combination of Texas International, which is a regional carrier serving the south-west and mid-west, and National, which operates in much of the U.S. and has several international routes, will ever take place.

Texas International, as reported yesterday, has bought 780,700 shares of National common stock on the open market, equal to 2 per cent of the company. It is considering the "possibility of seeking control of National."

Some consider a merger makes a lot of sense since National has been concentrating on making Houston a major route centre for domestic and international flights. With Texas International also using Houston as a major terminus for its large intra-state network, there could be significant benefits to National from the feeder line traffic.

A major consideration, however, is whether National Airlines would agree to being acquired. The company is tightly held and controlled by Mr. L. B. Maytag, chairman and chief executive, and it is not clear that Texas International could get control without his approval.

It is felt that Mr. Maytag would not agree to a takeover since National is in a much stronger position than several years ago, when it agreed to a since aborted merger with Northwest Airlines.

Another possible obstacle to a merger, even if agreed by the two companies, could be the attitude of the Civil Aeronautics Board. The regulatory process can be lengthy, and a proposed merger could founder during the time the CAB would spend studying the proposal.

Current legislation in Congress, to reform the CAB does not deal with the matter of industry mergers, leaving open numerous questions on how a plan by Texas International to gain control of National might be handled.

Mr. Alfred Kahn, CAB chairman, has said that for a merger of two healthy airlines to be approved, the companies would have to show substantial public service benefits.

In the absence of agreement by National to be acquired, the prospects of CAB approval to a combination may be even more difficult to obtain, and no one can be under any illusion that an unfriendly takeover effort in the industry has been approved. Reuter

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Beatrice and Tropicana shareholders approve bid

BY OUR OWN CORRESPONDENT

NEW YORK, July 11.

SHAREHOLDERS of both Beatrice Foods and Tropicana Products have overwhelmingly approved the proposed merger of their companies, although the deal has been temporarily halted by a federal court due to an anti-trust charge filed by the Federal Trade Commission.

In separate meetings yesterday, Tropicana shareholders deposited 87.5 per cent of outstanding shares for conversion into cash, while Beatrice shareholders cast 98 per cent of their vote in favour of increasing the company's capital to enable Tropicana to be absorbed as a wholly-owned subsidiary. The merger terms involve the payment by Beatrice of \$488m in cash and stock.

Neither company has yet responded to last weekend's

court order which was made after the FTC tried to halt the merger on the grounds that it would eliminate competition in the ready-to-serve orange juice industry. However, they have until Friday to do so, after which the Court will decide whether to grant a permanent injunction to the FTC pending investigation of the merger, which was originally supposed to have gone through today.

Boston market link

THE New York Stock Exchange said the Boston Stock Exchange has become the fourth exchange to be linked to the intermarket trading system, an electronic communications network that will eventually interconnect the trading floors of six exchanges.

Ashland Canada move awaited

By Robert Gibbons

MONTREAL, July 11. MARKET SOURCES raise the possibility of a takeover bid for Ashland Oil Canada following Kaiser Resources' cash bid worth \$347m.

In Calgary a spokesman for Ashland Canada said an announcement concerning the Canadian company would be issued later by the parent, Ashland Oil, Ashland, Kentucky. The Ashland directors were meeting to consider the Kaiser offer.

STANDARD OIL COMPANY

(An Indiana Corporation)

94 1/2 Cents Redeemable Due 1988

Notice is hereby given that, pursuant to Section 3.01 of the Indenture, dated as of August 16, 1978 (the Indenture), between Standard Oil Company (the Company) and Citicorp Trust Company, N.Y. (the Trust Company), the Company has elected to redeem and will redeem on August 15, 1978 (the Redemption Date), \$750,000 principal amount of its 9 1/2% Debentures Due 1988 (the Debentures), at the redemption price of 100 1/2% of the principal amount thereof plus accrued interest to the Redemption Date.

The serial numbers of the Debentures which have been selected for redemption pursuant to the Indenture are:

30	3143	9097	8897	11759	14642	17378	20893	24153	27788
131	3181	9056	8937	11796	14677	17400	20935	24177	27820
148	3203	9068	8949	11828	14715	17432	20974	24213	27852
156	3276	9111	9018	11871	14745	17464	21007	24245	27884
171	3313	9135	9042	11903	14777	17496	21040	24277	27916
186	3350	9159	9069	11935	14809	17528	21072	24310	27948
194	3404	9194	9131	11967	14841	17560	21105	24342	27980
209	3447	9218	9154	12000	14873	17592	21137	24374	28012
224	3484	9242	9179	12032	14905	17624	21170	24406	28044
239	3521	9266	9202	12064	14937	17656	21202	24438	28076
254	3558	9290	9226	12096	14969	17688	21235	24470	28108
269	3595	9314	9249	12128	15001	17720	21267	24502	28140
284	3632	9338	9273	12160	15033	17752	21300	24534	28172
299	3669	9362	9297	12192	15065	17784	21332	24566	28204
314	3706	9386	9320	12224	15097	17816	21365	24598	28236
329	3743	9410	9344	12256	15129	17848	21397	24630	28268
344	3780	9434	9368	12288	15161	17880	21430	24662	28300
359	3817	9458	9391	12320	15193	17912	21462	24694	28332
374	3854	9482	9415	12352	15225	17944	21495	24726	28364
389	3891	9506	9439	12384	15257	17976	21527	24758	28396
404	3928	9530	9462	12416	15289	18008	21560	24790	28428
419	3965	9554	9486	12448	15321	18040	21592	24822	28460
434	4002	9578	9509	12480	15353	18072	21625	24854	28492
449	4039	9602	9533	12512	15385	18104	21657	24886	28524
464	4076	9626	9556	12544	15417	18136	21690	24918	28556
479	4113	9650	9580	12576	15449	18168	21722	24950	28588
494	4150	9674	9603	12608	15481	18200	21755	24982	28620
509	4187	9698	9627	12640	15513	18232	21787	25014	28652
524	4224	9722	9650	12672	15545	18264	21820	25046	28684
539	4261	9746	9674	12704	15577	18296	21852	25078	28716
554	4298	9770	9697	12736	15609	18328	21885	25110	28748
569	4335	9794	9721	12768	15641	18360	21917	25142	28780
584	4372	9818	9744	12800	15673	18392	21950	25174	28812
599	4409	9842	9768	12832	15705	18424	21982	25206	28844
614	4446	9866	9791	12864	15737	18456	22015	25238	28876
629	4483	9890	9815	12896	15769	18488	22047	25270	28908
644	4520	9914	9838	12928	15801	18520	22080	25302	28940
659	4557	9938	9862	12960	15833	18552	22112	25334	28972
674	4594	9962	9885	12992	15865	18584	22145	25366	29004
689	4631	9986	9909	13024	15897	18616	22177	25398	29036
704	4668	10010	9932	13056	15929	18648	22210	25430	29068
719	4705	10034	9955	13088	15961	18680	22242	25462	29100
734	4742	10058	9979	13120	15993	18712	22275	25494	29132
749	4779	10082	10002	13152	16025	18744	22307	25526	29164
764	4816	10106	10026	13184	16057	18776	22340	25558	29196
779	4853	10130	10049	13216	16089	18808	22372	25590	29228
794	4890	10154	10073	13248	16121	18840	22405	25622	29260
809	4927	10178	10096	13280	16153	18872	22437	25654	29292
824	4964	10202	10120	13312	16185	18904	22470	25686	29324
839	5001	10226	10143	13344	16217	18936	22502	25718	29356
854	5038	10250	10167	13376	16249	18968	22535	25750	29388
869	5075	10274	10190	13408	16281	18999	22567	25782	29420
884	5112	10298	10214	13440	16313	19031	22600	25814	29452
899	5149	10322	10237	13472	16345	19063	22632	25846	29484
914	5186	10346	10261	13504	16377	19095	22665	25878	29516
929	5223	10370	10284	13536	16409	19127	22697	25910	29548
944	5260	10394	10308	13568	16441	19159	22730	25942	29580
959	5297	10418	10331	13600	16473	19191	22762	25974	29612
974	5334	10442	10355	13632	16505	19223	22795	26006	29644
989	5371	10466	10378	13664	16537	19255	22827	26038	29676
1004	5408	10490	10402	13696	16569	19287	22860	26070	29708
1019	5445	10514	10425	13728	16601	19319	22892	26102	29740
1034	5482	10538	10449	13760	16633	19351	22925	26134	29772
1049	5519	10562	10472	13792	16665	19383	22957	26166	29804
1064	5556	10586	10496	13824	16697	19415	22990	26198	29836
1079	5593	10610	10519	13856	16729	19447	23022	26230	29868
1094	5630	10634	10543	13888	16761	19479	23055	26262	29900
1109	5667	10658	10566	13920	16793	19511	23087	26294	29932
1124	5704	10682	10590	13952	16825	19543	23120	26326	29964
1139	5741	10706	10613	13984	16857	19575	23152	26358	29996
1154	5778	10730	10637	14016	16889	19607	23185	26390	30028
1169	5815	10754	10660	14048	16921	19639	23217	26422	30060
1184	5852	10778	10684	14080	16953	19671	23250	26454	30092
1199	5889	10802	10707	14112	16985	19703	23282	26486	30124
1214	5926	10826	10731	14144	17017	19735	23315	26518	30156
1229	5963	10850	10754	14176	17049	19767	23347	26550	30188
1244	6000	10874	10778	14208	17081	19799	23380	26582	30220
1259	6037	10898	10801	14240	17113	19831	23412	26614	30252
1274	6074	10922	10825	14272	17145	19863	23445	26646	30284
1289	6111	10946	10848	14304	17177	19895	23477	26678	30316
1304	6148	10970	10872	14336	17209	19927	23510	26710	30348
1319	6185	10994	10895	14368	17241	19959	23542	26742	30380
1334	6222	11018	10919	14400	17273	19991	23575	26774	30412
1349	6259	11042	10942	14432	17305	20023	23607	26806	30444
1364	6296	11066	10966	14464	17337	20055	23640	26838	30476
1379	6333	11090	10989	14496	17369	20087	23672	26870	30508
1394	6370	11114	11013	14528	17401	20119	23705	26902	30540
1409	6407	11138	11036	14560	17433	20151	23737	26934	30572
1424	6444	11162	11060	14592	17465	20183	23770	26966	30604
1439	6481	11186	11083	14624	17497	20215	23802	26998	30636
1454	6518	11210	11107	14656	17529	20247	23835	27030	30668
1469	6555	11234	11130	14688	17561	20279	23867	27062	30700
1484	6592	11258	11154	14720	17593	20311	23900	27094	30732
1499	6629	11282	11177	14752	17625	20343	23932	27126	30764
1514	6666	11306	11201	14784	17657	20375	23965	27158	30796
1529	6703	11330	11224	14816	17689	20407	23997	27190	30828
1544	6740	11354	11248	14848	17721	20439	24030	27222	30860
1559	6777	11378	11271	14880	17753	20471	24062	27254	30892
1574	6814	11402	11295	14912	17785	20503	24095	27286	30924
1589	6851	11426	11318	14944	17817	20535	24127	27318	30956
1604	6888	11450	11342	14976	17849	20567	24160	27350	30988
1619	6925	11474	11365	15008	17881	20599	24192	27382	31020
1634	6962	11498	11389	15040	17913	20631	24225	27414	31052
1649	7000	11522	11412	15072	17945	20663	24257	27446	31084
1664	7037	11546	11436	15104	17977	20695	24290	27478	31116
1679	7074	11570	11459	15136	18009	20727	24322	27510	31148
1694	7111	11594	11483	15168	18041	20759	24355	27542	31180
1709	7148	11618	11506	15200	18073	20791	24387	27574	31212
1724	7185	11642	11530	15232	18105	20823	24420	27606	31244
1739	7222	11666	11553	15264	18137	20855	24452	27638	31276
1754	7259	11690	11577	15296	18169	20887	24485	27670	31308
1769	7296	11714	11601	15328	18201	20919	24517	27702	31340
1784	7333	11738	11624	15360	18233	20951	24550	27734	31372
1799	7370	11762	11648	15392	18265	20983	24582	27766	31404
1814	7407	11786	11671	15424	18297	21015	24615	27798	31436
1829	7444	11810	11695	15456	18329	21047	24647	27830	31468
1844	7481	11834	11718	15488	18361	21079	24680	27862	31500
1859	7518	11858	11742	15520	18393	21111	24712	27894	31532
1874	7555	11882	11765	15552	18425	21143	24745	27926	31564
1889	7592	11906	11789	15584	18457	21175	24777	27958	

INTEL FINANCIAL AND COMPANY NEWS

Largest Saudi bank to go public

JEDDAH, July 11. The National Commercial Bank, Saudi Arabia's biggest financial institution, with assets of 30bn rials (\$9bn) is to invite 30 per cent of its shareholders to go public in the London-based bank's first public offering.

The bank's first public offering, which is being handled by the Saudi Ministry of Finance, is expected to be completed by the end of the month. The bank has already asked the Saudi government to allow it to issue shares to the public.

The bank's first public offering is expected to be completed by the end of the month. The bank has already asked the Saudi government to allow it to issue shares to the public.

Contested bid for Duncans

SYDNEY, July 11. The STEAMSHIP Company, the diversified industrial group, has returned to the takeover market with a bid for New South Wales timber group Duncans Holdings. Adelaide has already bought the 42.5 per cent stake previously held by the company's shareholders.

The directors of Duncans' shareholders not to sell this stage and have retained the bank. Seldon and associates as advisers. Ironically, Seldon has acted for Adelaide in previous takeovers. On this occasion, Adelaide is acting as the bank's adviser.

The directors of Duncans' shareholders not to sell this stage and have retained the bank. Seldon and associates as advisers. Ironically, Seldon has acted for Adelaide in previous takeovers. On this occasion, Adelaide is acting as the bank's adviser.

US \$25,000,000
Floating Rate London-Dollar Negotiable
Certificates of Deposit due July 14th, 1981

The Industrial Bank of Japan, Limited
London

IBJ

In accordance with the provisions of the Certificate, notice is hereby given that for the initial six months interest period from July 12th, 1978 to January 12th, 1979, the Certificate will carry an Interest Rate of 8 1/4 per cent. The relevant interest payment date will be January 12th, 1979.

Credit Suisse White Wolf Limited
Agent Bank

Kawasaki plans 40% cut in shipbuilding capacity

BY DONALD MACLEAN

KAWASAKI Heavy Industries is to cut its shipbuilding capacity and workforce by about 40 per cent in a move which reflects the worldwide slump in the shipbuilding industry.

It plans to reduce its 8,500 shipbuilding workforce by 3,500 before April of next year, and to freeze for at least six years the operations of a 250,000 dwt building dock at Sakai and the 25,000 ton slipway at Kobe, both in western Japan.

The Japanese shipbuilding industry has been hit by the rise in the value of the yen in the foreign exchange market, and by increased competition from

Oude Meester pays same on modest profit rise

BY RICHARD ROLFE

JOHANNESBURG, July 11.

THE OUDE MEESTER Group, the main liquor subsidiary of Rembrandt in South Africa, has reported a modest rise in pre-tax profits from R18.1m to R18.5m for the year to March 31. Net profits increased R0.1m to R10.9m (\$12.5m). The dividend is maintained at 3.5 cents.

Oude Meester is the second biggest liquor group in South Africa, after South African Breweries, and is most strongly entrenched in the wine and brandy markets. It publishes no turnover figures and, in the latest annual report, has dispensed with the turnover index which has been published in the past.

Plantation agency planned by Sime Darby Holdings

BY WONG SULONG

KUALA LUMPUR, July 11.

SIME DARBY HOLDINGS plans to set up a Malaysian-based plantation agency to provide management and consultancy services for overseas plantations.

Tun Tan Siew Sin, the chairman of Sime, feels that Malaysian technology and skills in plantation management could be put into profitable use abroad.

In the coming years, the Malaysianisation programme will be stepped up, but the skills of departing expatriate planters could be used overseas.

At present, the Desaru beach complex has only 25 chalets, and they are insufficient to cater for the growing number of Singapore tourists.

Apart from running its own hotel chain in Malaysia, Faber Merin also operates two hotels at Fraser's Hill, Titiwangsa Island in partnership with the Malaysian Tourist Development Corporation.

Boustead Holdings says the Malaysian Foreign Investment Committee has approved its acquisition of the issued capital of Progress Castings for a cash consideration of 143m Ringgits, reports Reuter from Kuala Lumpur. Progress Castings, with an issued capital of 1.1m Ringgits, has net tangible assets of about 142m Ringgits and made a pre-tax profit of 300,000 Ringgits last year. The company manufactures valve bodies.

Net income at TDK up 13.3%

By Our Financial Staff

TDK ELECTRONICS, the top Japanese manufacturer of ferrites and magnetic tapes, has reported a 13.3 per cent increase in consolidated after tax profit for the first half of its year, to ¥5,540m (\$27.4m), from ¥4,890m in the same period of the previous year.

Sales were raised 15.5 per cent to ¥54,930m (\$272m) from ¥47,570m. Recurring profits gained 16 per cent to ¥10,090m. The net profit increase is well below the 19.8 per cent rise in sales, recorded in the first half to November. The results are, however, better than some analysts had looked for. The adverse effect of the rise in the yen is understood to have been met by price increases.

The company is paying an unchanged interim dividend of ¥7.5, but for the full year expects to pay more than last year's ¥15, and to make a scrip issue.

Sales of magnetic tapes, which accounted for about a third of TDK's sales, are expected to be raised to have risen by 47.6 per cent in the latest six months.

House Food Industrial

House Food Industrial Company, the Japanese fast foods concern which has ties with General Mills of the U.S., has announced a 5.2 per cent increase in net profits for the first half of its financial year, to ¥2,520m (\$12.5m), from ¥2,400m in the same period of the previous year, reports Reuter from Tokyo.

Sales for the six months to May 31 increased by 2.1 per cent to ¥186,820m (\$925m), from ¥183,080m.

An unchanged interim dividend of ¥3 has been declared.

Trio Kenwood

Trio Kenwood, the Japanese manufacturer of audio products, raised its after-tax profits by 20 per cent in the first half of its financial year, to ¥714m (\$35.3m), from ¥591m in the six months to May 30 last year, Reuter has reported from Tokyo.

Currency, Money and Gold Markets

Dollar recovers some lost ground

The dollar gained ground against other major currencies in a rather less hectic trading in the foreign exchange market yesterday. Buying of dollars was not heavy, but the U.S. currency tended to improve on a general lack of selling. It traded within a range of \$1.15 to \$1.16 against the Swiss franc, for instance, and closed slightly off its best level at \$1.1525, compared with \$1.1500 at the close on Monday. The rise against the D-mark was less pronounced, the dollar cashing at DM2.0450, compared with DM2.0400 previously.

Against the French franc the dollar improved to FF4.4325 from FF4.4300 on Monday.

calculated by the Bank of England, fell to 61.9 from 62.0 after standing at 62.0 at noon and in early trading.

FRANKFURT—The dollar improved against the D-mark throughout, although most of the interest appeared to centre around the Swiss franc and its value against the dollar. The U.S. currency stood at DM 2.0510 in terms of the D-mark near the close, compared with DM 2.0468 at the fixing DM 2.0445 at the London close on Monday.

The dollar's rise did not seem to be merely profit-taking, but it was not clear to the market where the buying was coming from. The Belgian franc, which has been under pressure recently within the European currency reserves, whereas the U.S. dollar touched its lowest point of 33.64 in 100 francs earlier in the day, but closed at DM 6.349.

BRUSSELS—Although the Belgian franc again touched its intervention level against the D-mark, pressure tended to ease. The Belgian currency, which has been at its intervention point of BF 13.763 per D-mark, was fixed at BF 13.7615 yesterday, with the Banque Nationale de Belgique adding DM 6.35m to its foreign currency reserves.

AMSTERDAM—The dollar was fixed at F12.2080, against F12.2025 on Monday. The market was reported as quiet and unsure ahead of the Bonn summit, with no other news expected in the short term.

The Swiss National Bank had no need to intervene, with the dollar generally firm against other currencies, although by mid-morning it had retreated from the best levels. The U.S. currency touched \$1.1518 in the morning, compared with \$1.1525 at the close on Monday.

TOKYO—The dollar eased slightly in moderate trading, to close at ¥201.475 compared with ¥201.325 on Monday.

EURO-CURRENCY INTEREST RATES*

July 11	sterling	Canadian Dollar	U.S. Dollar	U.S. Dollar	U.S. Dollar	U.S. Dollar	U.S. Dollar	U.S. Dollar	U.S. Dollar
3 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
6 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
12 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
18 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
24 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
30 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
36 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
42 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
48 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
54 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4
60 months	11.15	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4	7 1/4

EXCHANGE CROSS-RATES

July 11	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Italian Lira	Spanish Peseta	Belgian Franc	Portuguese Escudo
1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1000	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
10000	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00

INTERNATIONAL MONEY MARKET

New York rates firmer

Treasury bill rates were generally firmer yesterday with 6 1/2 per cent and the 12-month rate at 7 1/4 per cent against 7 1/4 per cent previously. Following Monday's move to increase the rate on Treasury certificates, the Bank National de Belgique yesterday raised the rate on four-month paper to 6 1/2 per cent from 6 per cent. This was to reinforce speculation that the authorities may increase their discount and Lombard rates in defence of the franc. However, some voices suggested that a slight easing of pressure on the franc may have ruled out any necessity to increase interest rates.

PARIS—Day-to-day was slightly firmer at 7 1/4 per cent from 7 1/4 per cent on Monday. One-month rates were unchanged at 7 1/4 per cent while three-month rates rose to 7 1/4 per cent from 7 1/4 per cent. Six-month rates were also firmer at 8 1/4 per cent from 8 1/4 per cent but 12-month rates were unchanged at 9 1/4 per cent. Interest paid to the French Treasury on guaranteed bonds was

UK MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)

Day-to-day credit was in extremely short supply in the London money market yesterday and the authorities gave assistance by buying a large number of Treasury bills and a small amount of local authority bills. Together this buying was termed as large and a part of the bills were bought on the understanding that they would be re-sold to the market at a fixed future date. In addition the authorities lent an exceptionally large amount to 10 houses at 10 per cent for repayment over 10 years. The help may not have completely covered the shortage, discount houses were paying anything between 8 per cent and 9 1/4 per cent for secured call loans at the close.

Factors affecting the market appeared to be totally one sided. Banks brought forward run down balances although somewhat less depleted than those brought over the weekend. There was also a fairly large net take up of Treasury bills and revenue payments to the Exchequer exceed Government disbursements. The market was also faced with an increase in the note circulation and the repayment of Monday's official advances made to the market.

In the interbank market, overnight loans opened at 10 1/4 per cent and rose to 11 1/4 per cent before fluctuating between 8 per cent and 10 1/4 per cent and closing around 9 per cent. Rates in the table below are nominal in some cases.

July 11	Overnight	1 month	3 months	6 months	12 months	18 months	24 months	30 months	36 months	42 months	48 months	54 months	60 months
1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1000	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
10000	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00

THE POUND SPOT		FORWARD AGAINST £	
July 11	July 11	One month	Three months
U.S. \$	1.1525	1.1525	1.1525
Deutsche M.	2.0450	2.0450	2.0450
Japanese Yen	201.475	201.475	201.475
French Franc	4.4325	4.4325	4.4325
Swiss Franc	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000

THE DOLLAR-SPOT		FORWARD AGAINST \$	
July 11	July 11	One month	Three months
U.S. \$	1.0000	1.0000	1.0000
Deutsche M.	0.4800	0.4800	0.4800
Japanese Yen	0.0094	0.0094	0.0094
French Franc	0.2500	0.2500	0.2500
Swiss Franc	0.7000	0.7000	0.7000
Italian Lira	0.0020	0.0020	0.0020
Spanish Peseta	0.0200	0.0200	0.0200
Belgian Franc	0.0075	0.0075	0.0075
Portuguese Escudo	0.0002	0.0002	0.0002

CURRENCY RATES		CURRENCY MOVEMENTS	
July 11	July 11	One month	Three months
U.S. \$	1.1525	1.1525	1.1525
Deutsche M.	2.0450	2.0450	2.0450
Japanese Yen	201.475	201.475	201.475
French Franc	4.4325	4.4325	4.4325
Swiss Franc	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000

OTHER MARKETS		Notes Rate	
July 11	July 11	One month	Three months
U.S. \$	1.1525	1.1525	1.1525
Deutsche M.	2.0450	2.0450	2.0450
Japanese Yen	201.475	201.475	201.475
French Franc	4.4325	4.4325	4.4325
Swiss Franc	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000

EURO-CURRENCY INTEREST RATES*		Notes Rate	
July 11	July 11	One month	Three months
U.S. \$	1.1525	1.1525	1.1525
Deutsche M.	2.0450	2.0450	2.0450
Japanese Yen	201.475	201.475	201.475
French Franc	4.4325	4.4325	4.4325
Swiss Franc	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000

EXCHANGE CROSS-RATES		Notes Rate	
July 11	July 11	One month	Three months
U.S. \$	1.1525	1.1525	1.1525
Deutsche M.	2.0450	2.0450	2.0450
Japanese Yen	201.475	201.475	201.475
French Franc	4.4325	4.4325	4.4325
Swiss Franc	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000

INTERNATIONAL MONEY MARKET		Notes Rate	
July 11	July 11	One month	Three months
U.S. \$	1.1525	1.1525	1.1525
Deutsche M.	2.0450	2.0450	2.0450
Japanese Yen	201.475	201.475	201.475
French Franc	4.4325	4.4325	4.4325
Swiss Franc	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000

NEW YORK RATES FIRMER		Notes Rate	
July 11	July 11	One month	Three months
U.S. \$	1.1525	1.1525	1.1525
Deutsche M.	2.0450	2.0450	2.0450
Japanese Yen	201.475	201.475	201.475
French Franc	4.4325	4.4325	4.4325
Swiss Franc	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000

GOLD		Notes Rate	
July 11	July 11	One month	Three months
U.S. \$	1.1525	1.1525	1.1525
Deutsche M.	2.0450	2.0450	2.0450
Japanese Yen	201.475	201.475	201.475
French Franc	4.4325	4.4325	4.4325
Swiss Franc	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000

GOLD	
Easier	

RESERVE AT 30 JUNE 1978. The ore reserve is based on a pay limit determined at a sold price of R4.500 per kilogramm as follows:

Classification	Tons	STOPE		
		Width (cm)	Value (grams/ton)	Centimetre-grams per ton
Centersdorp Contract Reef	3,504,000	155	11.4	2,697

On behalf of the board

AUTHORISED UNIT TRUSTS

[illegible]

100% on shares term shares. Deposits made 100%
 100% income shares 6.00%. Sub'pn. Shares 5.20.

† Address shown under Insurance and Property Bond Table.

International Financier

DAIWA

SECURITIES

MINES—Continued

CENTRAL AFRICAN

1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583	582	581	580	579	578	577	576	575	574	573	572	571	570	569	568	567	566	565	564	563	562	561	560	559	558	557	556	555	554	553	552	551	550	549	548	547	546	545	544	543	542	541	540	539	538	537	536	535	534	533	532	531	530	529	528	527	526	525</
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